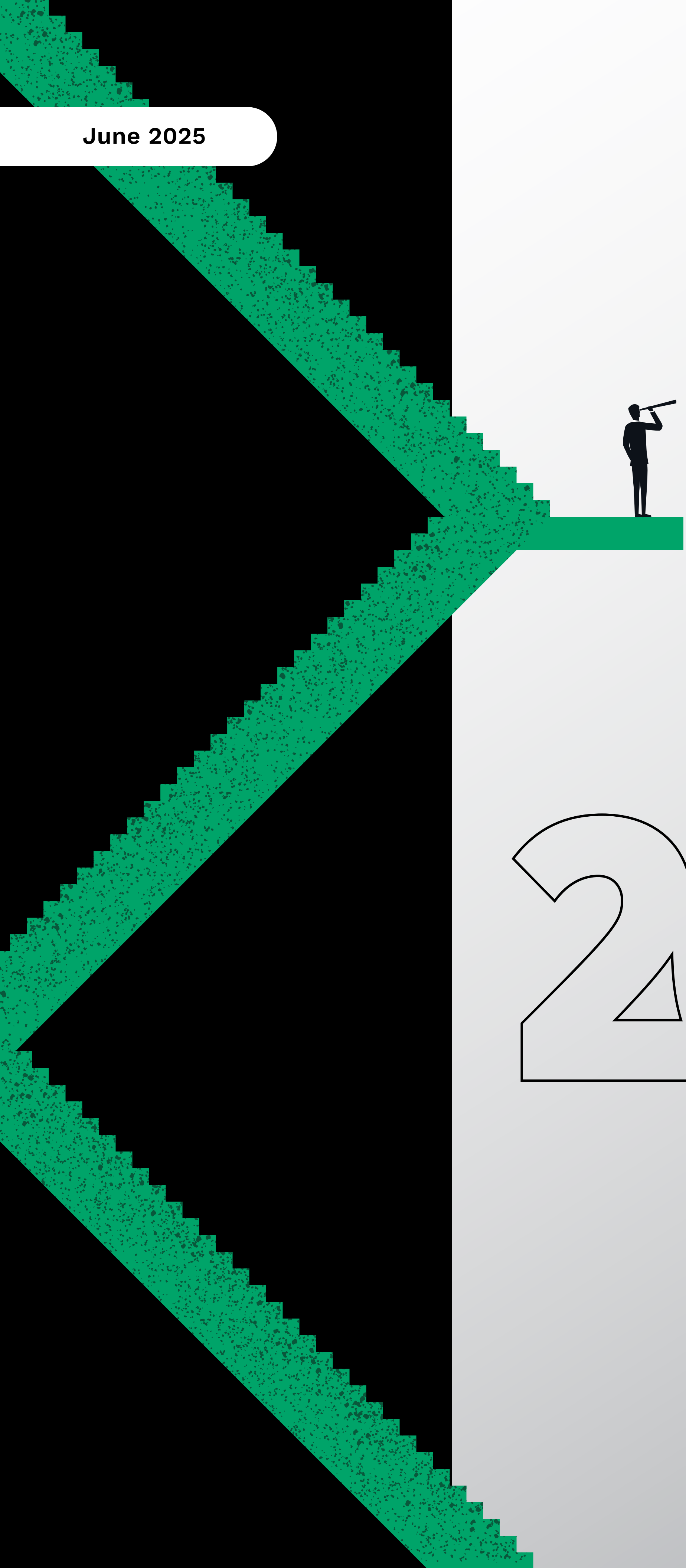
June 2025



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HALFTIME 2025

Charting The Future of Payments

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Halftime 2025: Charting the Future of Payments

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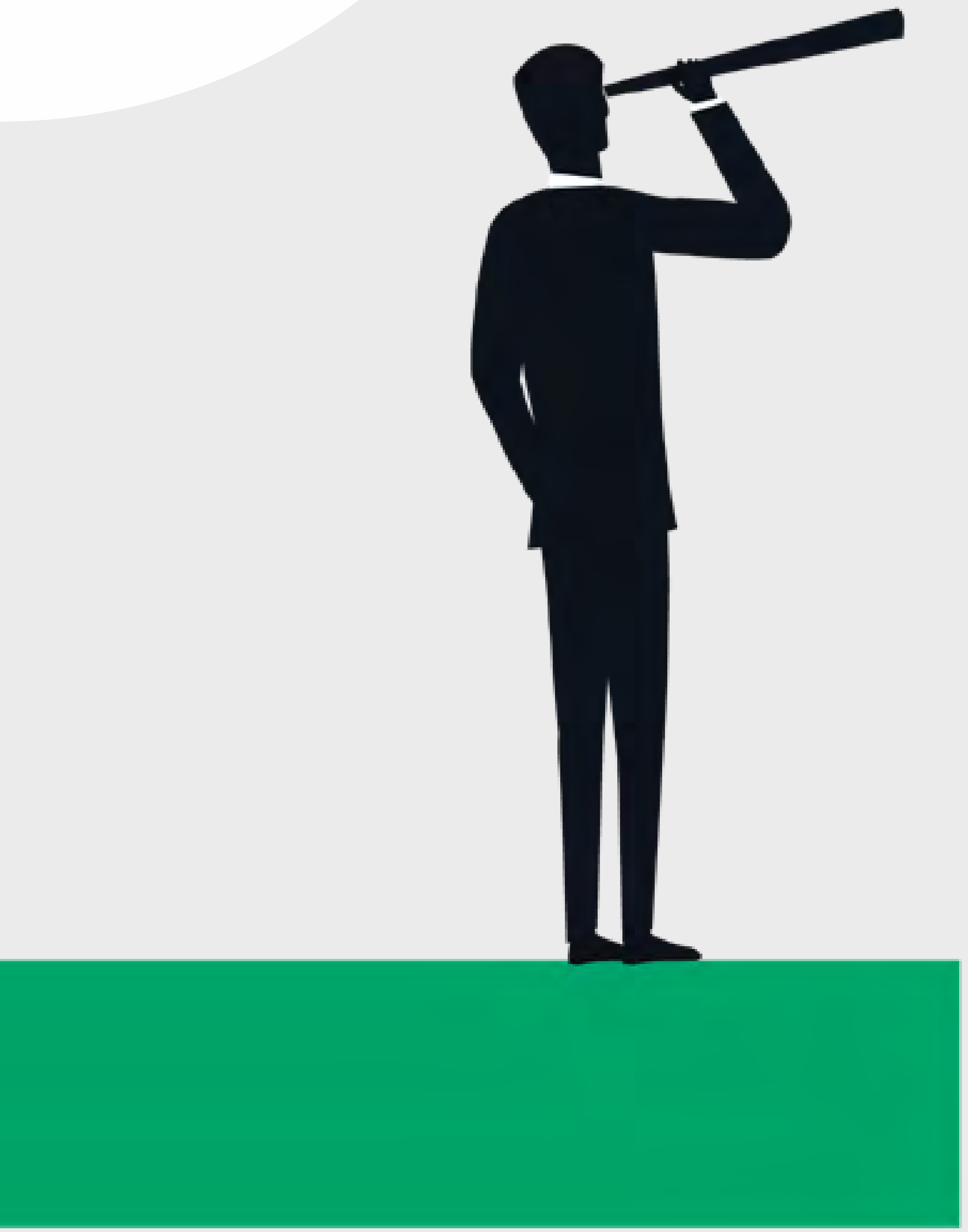
PAYMENTS COMPANIES REDEFINE **PRIORITIES AMID MARKET SHIFTS**



The payments industry stands at a crucial crossroads as we reach the midpoint of 2025, where the strategic decisions made now will define the trajectory for businesses and consumers alike in the coming years. This period is marked by an unprecedented confluence of rapid digital transformation, significant mergers and acquisitions and evolving economic pressures. The insights within this eBook, “Halftime 2025: Charting the Future of Payments,” bring together leading voices from across payments, banking and financial technology to assess this dynamic landscape.

This comprehensive collection delves into how major industry shifts are reshaping the competitive playing field. We explore the profound implications of landmark mergers and acquisitions, such as the strategic adjustments seen with FIS and Global Payments, which are driving both consolidation and specialization within the market. Companies like Maverick Payments see this as a validation for integrated solutions and an opportunity for agile providers to innovate with their core technologies. AWS highlights how these significant moves often lead to fundamental modernization of payment platforms as new leadership teams reassess infrastructure.

The rapid acceleration of digital payments, including non-cash transactions, instant payments and the explosive growth of digital wallets, is a central theme. WEX anticipates that the biggest disruptions in the second half of 2025 will come from the convergence of real-time payments, mobile wallets and virtual cards, especially in business-to-business (B2B) transactions. Trustly demonstrates how economic necessity is accelerating the adoption of "pay by bank" solutions, offering significant cost reductions for merchants compared to traditional card networks. Papaya Global showcases how digital wallets are simplifying the complex challenge of paying the global contingent workforce, offering flexibility and early access to earned wages. Ingo Payments emphasizes that risk management must evolve to keep pace with instant payment systems. Galileo points to a renewed focus on debit rewards as a powerful strategy for customer loyalty, expanding beyond traditional credit-centric programs.

Artificial intelligence (AI) is highlighted as a fundamental engine driving both efficiency and differentiation across the industry. Leaders like Coupa are prioritizing AI investments, particularly for autonomous spend management and fraud detection. Velera, a credit union service organization, details its use of advanced AI and data analytics through its proprietary Linked Analysis tool to combat fraud and enhance operational efficiency for credit unions. And i2c stresses AI's ability to reduce costs in areas like customer service and fraud detection while also enabling hyper-personalized customer experiences.

ValidiFI is leveraging AI and machine learning with vast data networks to provide real-time bank account and payment intelligence, significantly bolstering fraud prevention. Visa Commercial Solutions explores how AI and agentic systems are poised to enable highly personalized experiences and robust real-time fraud detection. Boost Payment Solutions is strategically applying AI to improve "speed to spend" and widen payment acceptance. FIS notes how AI-powered tools are optimizing data usage to uncover patterns and identify risks, helping to predict future delinquencies.

Beyond technological shifts, broader economic factors — such as regulatory changes, inflation and global economic uncertainty — are profoundly influencing investment priorities. Businesses are focusing on risk management, diversifying portfolios and adapting to new compliance standards, as exemplified by North's dedication to remaining compliant with evolving card-brand upgrades.

As you explore this eBook, you will gain a deeper understanding of how industry leaders are responding to these pivotal developments. Through exclusive commentary, you will explore how internal strategies, market trends and macroeconomic forces are shaping the next chapter for payments, providing valuable insights on how to leverage technology, forge strategic partnerships and reimagine business models to stay competitive.

INDUSTRY CONSOLIDATION AND TECHNOLOGY ADVANCES **DRIVE PAYMENT EXPERIENCE INNOVATION**

MARK
SMITH

Head of Payments for Financial Services

aws

The 2025 payments industry mirrors 2019's transformation through mergers, acquisitions and spin-offs. My perspective from working with customers at AWS over the last seven years is these major moves will drive opportunity, similar to what we saw in 2019. As these companies change direction and leadership structure, new executive teams at restructured payment companies will reassess their core infrastructure, often built through decades of acquisitions. This strategic pause enables fundamental modernization of payment platforms. This disruption of major established and scale payment companies stems from a desire to compete more effectively, with each other and FinTechs. I believe similar principles that applied in 2019 will apply now, lowering cost structure, increasing security and resiliency, expanding geographically, fostering innovation and increasing speed to market for new and innovative products and finding ways to work backwards from customers to create better payment experiences and products. Leaders who transition to new organizations bring firsthand experience of AWS's capacity to drive innovation and solve business challenges. When we see leaders and business units move to new areas, we are fortunate to have advocates and senior leaders who have seen how building in AWS can accelerate innovation and help companies overcome business challenges which accelerates the flywheel.

Generative artificial intelligence (GenAI) and agentic AI represent the second major industry shift. These topics truly come up in every conversation I have with customers, and my team has pivoted some of our focus for 2025 to accommodate our customers' desire to test, learn and move fast when it comes to generative AI and agentic AI. Our solutions architects and industry leads are listening to customers questions and needs all over the world and in every facet of payments to ensure we have the right accelerators including technical demonstrations, proof of concepts, reference architecture and more so customers can quickly see how AWS and AI can help them in fraud prevention, building great customers experiences, better enabling their staff and in countless other ways. I'm hopeful that many of the aforementioned M&A moves will free up funding to accelerate testing and real-world use of GenAI and agentic AI.

The combination of industry consolidation and AI adoption sets the foundation for transformative payment innovations in late 2025 and 2026.

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HALFTIME 2025

Charting The Future of Payments

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FLEXIBLE COST MODELS SUPPORT **B2B PAYMENTS EVOLUTION**

DEAN M. **LEAVITT**

Founder and CEO

boost

At Boost, we've always believed that the payments industry thrives when stakeholders evolve together — through thoughtful innovation, smart partnerships and an unwavering focus on efficiency. As we reach the midpoint of 2025, that belief is being reinforced across the ecosystem.

Of course, macroeconomic factors like inflation, regulation and global uncertainty continue to shape the business environment and are always on our radar, but they don't define our strategy. Our focus remains consistent: smart growth. We're not a "growth at all costs" company. Every expansion decision we make is grounded in our ability to support it operationally, technologically and securely. Scalability, reliability and security have always been core to our DNA and that's not changing.

As we look at broader market trends, we see a shift happening in enterprise-level B2B payments that's both exciting and overdue: a move toward stakeholder cost sharing. In the consumer space, the pendulum has swung fully to a surcharging model, with cardholders footing the bill. But in B2B, we're seeing a more balanced evolution. Our platform already supports buyer-paid, supplier-paid, and shared models, because we believe the future lies in flexible cost structures. The idea is simple: each party contributes to the transaction cost based on the value they derive.

We have always viewed ourselves as a bridge, connecting the worlds of AP and AR. Recent mergers and acquisitions have only underscored our approach, highlighting the strength of Boost's role in the value chain. In many cases, consolidation brings added efficiency and simplifies connectivity, benefiting companies like ours that are built around streamlined, end-to-end transaction flows. Our interoperability ensures that we can continue delivering value no matter how the landscape evolves. Over time, these integrations can unlock new opportunities for collaboration, cost savings and innovation at scale.

One of the more pervasive conversations across the industry this year has been around artificial intelligence. It's everywhere, and while we recognize the excitement, at Boost, we're choosing to respond with intention. We're identifying where AI can actually improve outcomes for us and our clients. For example, we're applying AI in targeted ways to accelerate "speed to spend," helping us adapt quickly as our bank partners evolve their commercial card platforms and bring innovations to market. It's also enabling us to widen the acceptance aperture — supporting a broader range of payment types and formats without compromising on automation or security. To us, AI is not a blanket solution, but instead a thoughtful tool that when used strategically enhances how we deliver value across the ecosystem.

When we look at where Boost is headed in the second half of 2025, we're doubling down on what works: trusted partnerships, flexible infrastructure and the responsible application of emerging technologies. Our focus remains on creating seamless experiences for our customers, expanding our global reach and evolving our platform to meet the needs of a dynamic, digital-first economy. As the payments landscape continues to shift, we're not just reacting, but leading with clarity, resilience and a commitment to long-term value.

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COMPANIES ARE EMBRACING AI TO ENABLE GROWTH AND NAVIGATE ECONOMIC UNCERTAINTY

BILL
WARDWELL

General Manager and Senior Vice President of Payments, Treasury and Supplier Services

coupa

In the face of unprecedented economic volatility, artificial intelligence (AI) adoption challenges and increasingly sophisticated fraud and security threats, business leaders this year are being asked to do more with less. Payments leaders are utilizing a measured balance of caution and pragmatic growth heading into the second half of 2025, adapting their strategies to the evolving economic landscape. Growth remains a priority, but with a sharper focus on efficiency, consolidation and long-term scalability rather than unchecked expansion.

At Coupa, we have been talking with finance executives in recent months to better understand their priorities amid the current challenges and fluctuations. What we're learning is that instead of retreating in the face of macroeconomic pressures, companies are thoughtfully pursuing strategic investments, prioritizing AI and innovation.

PAYMENTS LEADERS ARE OPTIMISTIC ABOUT AI — WITH A FEW LINGERING HESITATIONS

How are finance leaders approaching AI? According to our recently published Strategic CFO Report, 100% of finance leaders plan to make AI investments within the next year. Most indicate that automation around payment workflows is where AI has the most potential. This includes moving from static applications to AI-guided networks that can act independently — paving the way for autonomous spend management capabilities and enhanced risk management via the analysis of community-generated, anonymized data. Fraud detection is another key opportunity area, with half of payments leaders indicating that they see significant potential in AI's ability to detect payment fraud.

In addition, having an AI-driven transactional data set for modeling has emerged as an important capability. By understanding how different data elements relate, organizations can gain valuable insights into customer behavior, optimize operational processes and ensure data integrity.

While executives are optimistic about AI's potential, there are hesitations. Around half of CFOs are concerned about both data security and privacy, and lack of AI familiarity within their organizations. These issues suggest an opportunity for internal IT teams, solution providers and others to work with technology and platform partners to improve education and training around AI. One area where hesitation seems to be fading is within implementation — according to Coupa's Strategic CFO Report, the share of CFOs who are unconcerned about AI implementation surged by 218% year over year.

SETTING SIGHTS ON AUTONOMOUS SPEND MANAGEMENT

If the promise of AI is realized, payments executives expect the gains will be enormous: faster, dynamic, more efficient approvals. Reduced bottlenecks. Faster pay cycles. Autonomous processes. Improved accuracy and fewer errors. Real-time, actionable insights. And a greater capacity to scale despite economic volatility.

At Coupa, we are developing next-generation agentic AI to dynamically and autonomously match the needs of buyers and suppliers. In 2024, we announced our first Coupa Navi AI agents, modernizing business operations with real-time support and guidance to enable smarter, faster decisions. This May, we built on that foundation, expanding our portfolio and unveiling new multiagent AI capabilities to help businesses future-proof their operations by leveraging our unmatched $8 trillion global spend dataset.

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ALEX
HOFFMANN
General Manager
Edenred | Pay

HOW AI AND ANALYTICS ARE **REVOLUTIONIZING ACCOUNTS PAYABLE IN 2025**

Accounts payable (AP) departments have never faced more pressure — or more opportunity. In today's environment of economic uncertainty, persistent labor shortages and growing threats of fraud, finance leaders must rethink not just how their teams operate, but how they create value. In response, many are now turning to artificial intelligence (AI) and data analytics to tackle AP's biggest challenges — namely fraud prevention, customer experience and operational efficiency.

ADDRESSING THE BURDEN OF MANUAL PROCESSES

Despite the availability of automation, many AP departments are still buried under paper invoices and checks, manual data entry and siloed approval processes. These legacy workflows slow down operations and create real risk. AI-powered platforms eliminate friction across the AP process, accelerating cycle times, reducing errors and minimizing the need for manual intervention at every step. These solutions can capture invoice data with far greater accuracy than traditional OCR and automatically match invoices to purchase orders — eliminating one of the most time-consuming tasks in AP. This enables AP teams to operate more efficiently and focus on higher-value activities.

ENHANCING FRAUD PREVENTION WITH SMART AI

Cybercriminals are getting more sophisticated — and AP departments are a prime target. AI allows us to embed intelligent fraud prevention directly into the invoice-to-pay workflow. By analyzing patterns in invoice and supplier data, validating bank account ownership and flagging anomalies in real time, AI-powered solutions help AP departments detect and prevent fraud before payments are ever initiated. This proactive protection is a critical part of maintaining trust and financial control.

EMPOWERING FINANCE TEAMS AS STRATEGIC LEADERS

Today's CFOs and finance professionals are expected to deliver more than reports — they're expected to deliver insight. AI-powered solutions use predictive analytics to help AP leaders forecast cash flow, optimize payment timing and make data-driven decisions that improve working capital. AI enables dynamic payment scheduling that balances early payment discounts, rebate capture and liquidity needs. In short, AI is turning AP from a cost center into a strategic driver of value.

DELIVERING A MODERN CUSTOMER EXPERIENCE

Operational efficiency isn't just about speed — it's about simplicity. AI-powered invoice-to-pay platforms enhance the experience for both internal users and suppliers. By integrating seamlessly into ERPs and accounting systems, automating data capture and offering full transparency into the status of invoices and payments, automation creates a frictionless experience that drives adoption and satisfaction. Finance teams gain real-time visibility. Suppliers get paid faster. Everyone wins.

FUTURE-PROOFING THE AP FUNCTION

AI-powered invoice-to-pay solutions are not just solving today's challenges — they are helping to build the AP function of the future. As threats, requirements and expectations grow, AI and analytics capabilities will continue to evolve alongside them. The goal is to create an adaptive, intelligent and secure AP environment that helps finance teams thrive — no matter what tomorrow brings.

Edenred Pay believes that AI-powered automation isn't just a tool — it's a transformation. And we're proud to help AP and finance leaders turn that transformation into a competitive advantage.

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2025 MID-YEAR FINANCIAL INSIGHTS: TRENDS, CHALLENGES AND STRATEGIC RESPONSES

SEAMUS
SMITH
Executive Vice President and Group President, FIS Automated Finance

The major mergers and acquisitions in the first half of 2025, including Global Payments acquiring Worldpay and FIS acquiring Global Payments' Issuer Solutions business, have significantly reshaped the industry. These deals have led to a more streamlined focus for Global Payments as a pure-play merchant solutions provider, enhancing its ecommerce and integrated payment capabilities. For FIS, the acquisition of Issuer Solutions strengthens our position as a leading FinTech with expanded credit processing capabilities. Overall, these transactions are expected to drive growth, improve financial profiles, and create synergies that will positively impact business strategies and industry outlooks.

INTERNAL DEVELOPMENTS

Access to capital is quite expensive these days. Gone are the times where cash was virtually free. We understand that corporations are exploring how to generate more cash flow internally versus taking on loans with high interest rates. We addressed this trend by adding FIS Supply Chain Finance through our recent acquisition of Demica, one of the world's largest solution providers with more than 250 funders and over $40 billion in assets under administration. This solution directly addresses challenges faced by corporations that impact their cash flow by offering a robust response to economic disruptions and volatility. It enhances buyer/supplier relations, benefiting over 70% of companies that employ it by reducing payment cycles and improving cash flow.

Another development is our expansion of vCard as a capital management tool for mid to large enterprises. The benefits of vCard as a digital payment option are not unknown, however, we have identified that accessibility on both ends of the transaction is not universal. Suppliers struggle with automating the processing and application of vCards, making it easier to stay with the "tried and true" check payments. Payers often are not sure how to get started, how to structure or how to maintain a secure, efficient vCard program. Simply put, we are positioning ourselves to not only offer vCard, but to fully support simplifying the user experience.

USING AI AND DATA ANALYTICS TO ADDRESS KEY CHALLENGES

The way a company receives invoices, makes payments and communicates can often be predictable when data is accurately analyzed and reported. However, the challenge lies in doing this at scale, given the large quantity and diverse nature of the supporting data. By providing access to AI-powered tools, companies can optimize data usage to uncover patterns and identify risks, freeing up resources for mitigation rather than identification. These AI tools leverage internal historical experiences with customers to predict future delinquency, while also integrating external credit bureau data to capture risks that might be masked by good payment behavior with individual entities.

Leveraging large language models to improve cash application match rates reduces manual effort and simplifies the processes which cause friction in the customer experience.

TRENDS AND TECHNOLOGIES

In the second half of 2025, several trends and technologies are poised to disrupt the payments industry:

Stablecoins: the regulatory landscape around stablecoins is moving at pace with several impacts on stablecoin users. The GENIUS act aims to create a safer and more stable environment for users by including enhanced security and transparency with stricter reserve requirements, consumer protection preventing misleading marketing practices, improved stability with strict liquidity rules, compliance with

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anti-money laundering (AML) rules, and a potential for greater acceptance and adoption into mainstream financial systems. If the integration of stablecoin into the formal financial system is successful, this could streamline cross-border payments and make transactions faster and more efficient.

AI-powered fraud prevention: With the rise of cybercrime, AI-driven models are becoming essential for detecting and preventing fraud in real time, significantly enhancing security.

Real-time payments: The demand for instant transactions continues to grow, pushing financial institutions to adopt real-time payment systems that offer immediate fund transfers.

Embedded finance: Integrating financial services into non-financial platforms (like eCommerce sites) is becoming more prevalent, making transactions more seamless and convenient for users.

Biometric authentication: Technologies such as fingerprint and facial recognition are being increasingly used to enhance security and streamline the payment process.

Buy now, pay later (BNPL): This payment option is expanding into new sectors, providing consumers with more flexible payment solutions.

These innovations are expected to drive significant changes, making payments faster, more secure, and more integrated into everyday activities.

ECONOMIC FACTORS

Broader economic factors are significantly influencing priorities and investments in the payments space this year:

Regulatory changes: New regulations are prompting businesses to invest in compliance and adapt their operations to meet evolving standards. This includes enhancing security measures and ensuring transparency in transactions.

Inflation: Rising inflation is affecting consumer spending patterns and operational costs. Companies are prioritizing cost management and exploring innovative solutions to maintain profitability.

Global economic uncertainty: The unpredictable global economic environment is driving a cautious approach to investments. Businesses are focusing on risk management and diversifying their portfolios to mitigate potential disruptions.

These factors are shaping strategic decisions, emphasizing resilience and adaptability in the payments industry.

DEREK
WHITE

CEO

galileo

DEBIT REWARDS ARE BACK — AND READY TO REDEFINE CUSTOMER LOYALTY

As the second half of 2025 unfolds, one emerging trend in the payments landscape is the renewed focus on debit rewards. This shift is being driven by market demand, changing consumer preferences, integrated technologies and innovative partnerships that are allowing banks, FinTechs and brands to boost loyalty and customer engagement while opening new revenue opportunities.

Historically, loyalty programs have focused on credit card usage. This model left out 46 million consumers with little to no credit history — especially younger, debt-averse or credit invisible individuals — who use debit cards for everyday transactions. Today, over 90% of U.S. adults carry a debit card, and many brands report a significant share of airline and hotel purchases are made with debit. Yet until recently, these consumers' loyalty and spending have gone largely unrecognized.

Several converging trends have made debit rewards both viable and attractive in 2025. Beyond shifting consumer preferences, technological advancements have changed significantly. Real-time processing, scalable APIs and embedded finance platforms now allow brands to deliver instant, personalized debit-based rewards experiences. New economic models have further enabled brands to offer sustainable, inclusive loyalty programs that don't rely solely on credit card spend.

Recent launches in the hospitality sector highlight this evolution. For example, Galileo and Wyndham Hotels & Resorts introduced the first co-branded debit rewards card in hospitality in the U.S., allowing travelers to earn points on everyday debit transactions. This innovation recognizes that debit is not just a payment method but a vital touchpoint for deepening customer relationships. When travelers use debit to book hotel stays or dine out, they are rewarded for those transactions, integrating financial behavior directly into the loyalty experience.

This progress is enabled by advancements in programs that integrate card issuing, processes and program management into an API-first platform, without the need to juggle multiple vendors. What once took a year or more to launch can now be implemented in months, reducing program complexity and accelerating time to market. The changing economics, driven by scale, modular architecture and access to multiple sponsor banks, opens up new monetization models, making debit rewards strategically valuable.

Looking ahead, the opportunity extends well beyond hospitality. Retailers, travel brands and other consumer-facing businesses are exploring how to engage debit-first audiences with tailored rewards. The next wave of innovation centers on personalizing rewards and enhancing their role in the overall customer journey, leveraging automation, artificial intelligence (AI) and advanced analytics to boost engagement, loyalty and retention.

The first half of 2025 made it clear co-branded debit rewards are gaining traction as a meaningful loyalty building strategy across multiple industries. As digital expectations rise and payment method preferences shift, this marks a decisive pivot toward more inclusive, flexible loyalty models — designed for how consumers spend today. The winners in the next wave of payment trends will be those who close the loyalty gap by meeting customers where they are and rewarding them accordingly.

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AMIR
WAIN

Founder and CEO

AI AND CONSOLIDATION ARE RESHAPING PAYMENTS — LONG-TERM VISION WINS

As we cross the midpoint of 2025, the payments industry is in an accelerated state of transformation. Rapid artificial intelligence (AI) evolution, shifting economic headwinds and accelerating M&A activity are collectively redefining the playing field. Success in this dynamic environment demands foresight and strategic agility.

AI: THE DUAL ENGINE OF EFFICIENCY AND DIFFERENTIATION

AI has transcended buzzword status; it is now the fundamental engine driving efficiency and delivering new value propositions. We are seeing its power manifest in two critical ways:

- **Efficiency Gains:** AI is reducing costs in high-impact areas like customer service, fraud detection and compliance. Crucially, agentic AI is moving beyond reactive responses to proactive action, autonomously resolving routine tasks without human escalation, freeing up valuable resources.

- **Differentiated Experiences:** AI empowers personalization at scale, delivering superior customer experiences. The guesswork is eliminated; understanding what to offer, to whom and precisely when has become a data-driven science. This streamlines user journeys, making every interaction faster, smarter and more relevant.

CONSOLIDATION: SHARPENING FOCUS, UNLOCKING OPPORTUNITY

The payments sector is undergoing three distinct waves of consolidation:

- **Bank Mergers for Scale:** Institutions like Columbia Banking System, Glacier Bancorp and CNB Financial are merging to enhance their competitive posture in an increasingly dense market.

- **Game-Changing Deals:** Capital One's acquisition of Discover stands out, establishing a formidable third network player. This shift promises increased innovation and a stronger network focus on partner success — a positive development for the entire industry.

- **Strategic Refocusing:** There is a growing recognition that issuing and acquiring are fundamentally distinct businesses. The once-held belief that they could optimally thrive under a single roof has proven less effective, leading to strategic unbundling in some significant cases.

DISRUPTION IS A MARATHON, NOT A SPRINT

While the excitement around innovative technologies is palpable, the most profound industry shifts still lie ahead. The pace of change is swift, yet true disruption is a long game. Incremental improvements, such as enhanced fraud detection or more efficient operations, are vital steps. However, the truly transformative disruption will materialize as foundational technologies mature and scale, bringing about changes by 2030 that are difficult to fully envision today.

THRIVING AMID UNCERTAINTY

Economic and regulatory uncertainty is constant. This necessitates a long-term strategic approach. Our investments are guided by a five-year outlook, focusing on where the industry is heading, not just today's headlines. Our core mission remains clear: drive efficiency and create differentiated value. Agility and configurability are paramount, empowering our partners to adapt swiftly and confidently. By consistently excelling in these areas, we are confident in our continued leadership, regardless of future market dynamics.

HALFTIME 2025: STEERING EMBEDDED FINANCE INTO ITS NEXT ACT

LISA
MCFARLAND

Chief Product Officer

INGO Payments

Embedded finance used to feel like a novelty — an extra button you bolted onto checkout. Six months into 2025, it's closer to table stakes. When every brand from coffee chains to construction suppliers can tuck payments, lending, or insurance into their own flow, the question isn't whether money will move in the background, but how safely and predictably it moves once it's there.

That's the lens my team and I bring to our mid-season review.

Before we call the next play, I'm checking three gauges on the product console. They're simple on the surface, but they underpin everything we — and our partners — will do in the back half of the year.

1. Risk Travels With the Money

Instant rails are only useful if risk decisions keep pace. We've moved underwriting into the ledger entry itself, letting each credit, debit or payout clear with a built-in "should we trust this?" moment. That change matters to any brand embedding finance: you get a real-time experience without a next-day reconciliation hangover, and your customer service team isn't left explaining mysterious holds.

2. One Token, Many Routes

A core promise of embedded finance is hiding infrastructure sprawl from the end user. Our Pay API now treats cards, ACH, wallets, real-time payments — and yes, even checks — as interchangeable routes tied to a single token. Treasury teams see one liquidity picture, engineers see one integration and customers simply see funds arrive. The rails themselves become a detail, not a decision point.

3. Core In-House, Edge In Partnership

Owning the heavy machinery of the stack keeps us nimble; selective alliances give us sharper signals without slowing that pace. Device intelligence from Sardine, issuing muscle from Marqeta, identity data from Socure — each slots into the foundation rather than dictating it. For partners plugging us into their own products, that balance translates to speed and depth: a reliable core that can still adopt the latest specialist capability.

HOW THE PIECES FIT TOGETHER

Move-with-the-money risk, multi-rail tokens and "build-core/borrow-edge" partnerships aren't separate bullet points on a roadmap that teams will have to debate which to choose from; they reinforce one another. The ledger-level risk check feeds richer data back to our partners, which in turn improves route selection. A unified token makes it trivial to test a new payment rail or fraud model without rewriting code. And a tight core means we can add — or swap — specialist providers quickly when the market shifts. The loop keeps tightening, and every turn raises the bar for what "embedded" really means.

WHERE WE'RE HEADED AFTER THE WHISTLE

In the second half, expect liquidity to become programmable — routes will change on the fly based on cost, context and customer preference. AI models, finally looking at a full picture instead of fragmented snapshots, will fade false positives into the background. And M&A consolidation will reward platforms that pair end-to-end governance with a modular interface.

Our job is to make that future feel ordinary: money that moves, settles and reconciles so smoothly that product teams can focus on delight, not downtime. If we do it right, embedded finance stops being a buzzword and starts feeling like reliable infrastructure — power and plumbing for the digital economy.

Halftime is over. See you in Q3.

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CONSUMER DEMAND, TECHNOLOGY SHAPE PAYMENTS INNOVATION

JUSTIN **DOWNEY**

Vice President of Product

maverick

The major activity we've seen in early 2025 underscores a clear trend in the industry: consolidation for scale and specialized focus. These movements are a validation of the increasing demand for integrated, comprehensive solutions. For Maverick Payments, this reinforces our core strategy. While companies are navigating complex organizational shifts that come with mergers and acquisitions, we maintain a nimble, partner-centric approach, seeing this as an opportunity for agile and innovative providers to double down on their proprietary tech stacks. We are doubling down on delivering highly customizable, API-first solutions and look to build out our strategic partnerships to add value to our core offerings to clients while maintaining excellence in our support of services. We look to compete with speed, responsiveness and specialized value.

ENABLING INNOVATION

Our internal developments this year have been heavily influenced by a singular goal: empowering our partners with frictionless experiences. From top to bottom, we look to deliver timely, first-class service from the onboarding of accounts and back-office functions we offer partners, to the operational expertise of specialty markets and the navigation of complex regulatory compliance in the industry. We continue to build and maintain our platform as an innovation enabler for the evolving payments landscape by focusing on a superior developer experience for ISVs and their relationship with traditional ISOs and FIs, so all can participate in payment monetization in a future-proof payment stack. As we look at the core offerings of our platform, we find that a dual approach of technology combined with service support and excellence is what sets Maverick Payments apart in a competitive space that our partners leverage to drive growth while maintaining an unparalleled service level. While we maintain our focus on our core offering, we enhance our ancillary features with strategic partnerships that are adjacent to the service we offer.

LEVERAGING AI

When we look to the future and the involvement of artificial intelligence (AI) in the payments space, we're excited to see the rapid evolution within our industry, where large datasets aid in decision-making for veterans or supply information to those with less expertise. We utilize automation for operational efficiency and dynamic risk scoring to help streamline areas of potential friction, such as KYC checks, and we see strong use cases around transactional monitoring. As we look to the future, we continue to see the best alignment in a hybrid model where AI is paired with human decision-making, backed by the data analysis capabilities it offers. There is a natural feedback loop, where AI can support experts in training its models to identify patterns and ultimately reduce fraud.

TRENDS AND TECHNOLOGIES

No surprise here, but we'll continue to see AI as a disruptor in this space, where fraudsters and risk experts are continuing to utilize it to gain an edge. We will continue to see areas with large data leverage AI and offer it as a value-add on top of core offerings. Additionally, we will continue to see customer preferences drive changes in the payment acceptance and checkout experience. Lastly, we will continue to see strategic partnerships with payment-adjacent players looking to supplement their offerings either with processing or embedded finance.

REGULATION AND ECONOMIC HEADWINDS

Navigating the complexities of regulatory changes and strategically planning in an ever-changing space is in our leadership DNA. Investing in our technology and our team for continuous evolution in regulatory compliance is a top priority. We double down on a robust and secure environment to safeguard sensitive data so our partners can focus on their offerings. While the economic landscape shifts, our priorities and focus on our infrastructure remain unchanged. At Maverick Payments, we see challenges as a catalyst to drive us to continue to stay nimble and innovate. We remain laser-focused on adaptable, partner-centric solutions that empower partners to thrive with an operational team built around white-glove service.

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AMIT
LEVI
Chief Product Officer
papaya global

CONTINGENT WORKERS SPARK NEED FOR **AGILE WORKFORCE PAYMENTS**

Today, contingent workers comprise 40% of the global workforce. Getting them paid accurately and on time is one of the main challenges organizations face, especially as they scale and grow. Tech driven payments solutions for contingent workforces are as necessary as they are disruptive.

Consider a few examples: An independent cargo ship captain, piloting goods between China and Spain, taking shore leave in various locations and sending money back to his family in Norway; an American exchange student in France writing for a British magazine; or a seasonal concierge at a 5-star resort in Albania, who has no access to a physical bank.

These workers are all contingent talent. And they need to get paid. But paying them goes far beyond direct deposits. Aside from calculating payroll and payments according to local and international regulations, how do you deposit payments to someone who is unbanked? Or someone who works abroad and requires payment in several currencies?

Now multiply that complexity by 1,000. Or 100,000.

Fortunately, FinTechs are transforming this industry with digital wallets and virtual bank accounts. These tools streamline global disbursements, support multiple currencies and payment methods, and reduce dependency on traditional bank rails.

As companies expand their global contingent workforce, efficient cross-border payments become essential. Workforce digital wallets help solve common international payment challenges by simplifying currency conversion and reducing exposure to foreign exchange risk.

Digital wallets for workforce payments enable the seamless integration and use of digital assets like cryptocurrencies, giving workers more flexibility in how they receive, store and use their earnings.

Another advantage of the digital workforce wallets is early access to earned wages. This transforms the workforce payments experience by giving workers greater financial freedom and reducing reliance on high-interest credit or payday loans. This empowers workers to manage unexpected expenses and improves overall financial well-being and job satisfaction.

For workers, digital wallets offer faster access to funds, fewer fees and the ability to receive payments in their local currency, even when they're unbanked or on the move. They also support financial well-being by offering greater visibility and flexibility in how earnings are accessed.

For companies, wallets reduce friction, cut costs, improve compliance and provide control over global disbursements, all while enhancing the worker experience.

With 68% of companies unable to forecast contingent labor needs beyond 30 days, agility in workforce payments is no longer optional — it's a business imperative.

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EVOLVING B2B PAYMENT SOLUTIONS

GREG
CASTRO

President of PayTrace by North

PayTrace recently celebrated 20 years in business. As part of North, we serve B2B companies, expanding the ways payments work for them. Mid-2025, we are excited to have grown from a payment gateway to a full-stack payment processor offering embedded ERP payment solutions.

Payments today are about consolidation and specialization — something we view through the lens of our B2B customers. They want to reduce the number of systems they use every day, and they need those systems to work together, seamlessly, without redundancy of effort.

That call for a simplified, do-it-all solution is guiding our teams for the remainder of this year — and for the next several years. We aim to be one secure payment solution that a B2B customer can use for simple payments, accounts receivable automation, accounts payable and more. And with our API-first approach, we enable our technology partners to do the same.

DISRUPTING THE WAY B2B COMPANIES DO BUSINESS

Automation. Everyone wants to use technology to reduce manual processes and human error, no one more than B2B companies. These industries are rooted in outdated technologies and workflows. Many still see payments outstanding for an average of 45 to 60 days — sometimes longer.

They're also still dealing with lengthy, intricate AR/AP processes that result in customers sending in what? A paper check. Time-consuming to process, clear, and settle — and risky due to human error, delays and fraud. B2B companies are desperate for accounting relief and giving their customers the simple, consumer-like experience that they expect from digital payments.

We launched Trace AR to help B2B companies send secure digital invoices, automate accounts receivable and simplify collections management. It provides a personalized portal that provides the power to track, manage and pay outstanding invoices via digital options like credit card and ACH. B2B customers get a consumer shopping experience while increasing their brand loyalty.

We offer differentiation for merchants looking to grow customer share, add recurring purchases. Our solutions provide options such as subscription-based pricing models or large purchases that require bespoke payment terms.

FACING — AND OVERCOMING — INDUSTRY HURDLES

The payments space is always changing. From multiple card-brand upgrades to Visa's new Commercial Enhanced Data Program (CEDP) affecting interchange rates, we need to be on top of what's coming this year.

We are dedicating significant platform development resources, working closely with Visa to remain compliant. And we are committed to API-first innovation to create secure payment experiences that are both modern and innovative. Internally, we support our platform while leveraging the latest technologies on our back end, quickly developing and delivering upgrades and new features — and responding to compliance requirements.

FINISHING STRONG

This year will prove to be notable when it comes to business payments. The benefits of accepting multiple digital payment methods saves B2B firms money, increases their efficiency and accelerates their cash flow. While there will always be challenges to be met, we are confident that PayTrace has the forward thinking and solution-driven mindset to face them.

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SPLITIT AT THE HALF: ENABLING THE ECOSYSTEM IN A TIME OF CHANGE

NANDAN **SHETH**

CEO

splitit

The first half of 2025 has brought much-needed clarity to the payments landscape. With consolidation moves like Global Payments/ Worldpay and FIS/Issuer Solutions, it's clear that the future won't be won by scale alone. It will be shaped by intelligence — machine-driven decisioning, adaptive infrastructure, and precision focus. Agility, not size, is the new edge.

At Splitit, we're not reacting to these changes — we're aligned with them. Our platform is designed to empower, not replace, the ecosystem: we connect banks, merchants, and consumers in a way that amplifies their existing strengths instead of competing for control. This isn't validation of a strategy. It's proof that the ecosystem needs partners who can embed intelligence and agility into the flow of commerce — and that's where we've been heading all along.

Banks want consumer-ready tools they can deploy quickly, without overhauling their stack. Merchants want to offer seamless financing experiences without surrendering the customer relationship. Splitit delivers both — with an embedded, white-label installment infrastructure that puts issuers in control of the offer and merchants in control of the experience.

This mindset has become our operating model — what we call **Splitit 2.0**. It's not a feature release. It's a company-wide evolution. We've moved beyond eCommerce and credit cards into: debit cards, **DDA-linked payments, faster payments**, and **in-store POS**. Our platform has become a flexible technology fabric that lets incumbents move with the speed of fintechs — without sacrificing trust or control. And by leaning into this SaaS-based model, we are shifting our business to scale with the market.

Buy Now, Pay Later is no longer a novelty — it's become second nature for consumers. But with mainstream adoption comes new expectations. Consumers want transparency. Issuers want control. Regulators want responsibility. Splitit meets all three. We work within existing credit frameworks, giving banks the tools to offer responsible, real-time installment plans that preserve customer loyalty and reduce risk — without the pitfalls of over-extension or opaque underwriting.

At the same time, merchants are facing tighter margins and more volatility than ever. Financing options need to be as dynamic as their businesses. Our hybrid cost-sharing model gives merchants the ability to fund offers in ways that align with their margin profile, all while optimizing for conversion.

WHAT'S NEXT: THREE FORCES RESHAPING OUR LANDSCAPE

1. Embedded finance will disappear into the background.

We've moved past adding yet another button at checkout. True embedded finance happens behind the scenes — woven into the experience that powers commerce. The most impactful solutions will be invisible, automatic, and native to the rails already in use.

2. Contextual payments will overtake channel-specific design.

Consumers no longer think in terms of "online" or "in-store." They expect a unified experience across every touchpoint — this includes installments. Payment options need to follow them — dynamically and contextually — based on behavior, preferences, and timing, not just channel.

3. AI will redefine risk and approvals.

AI-powered decisioning is enabling issuers to make intelligent installment offers in real time — tailored to cardholder behavior and risk appetite, without the friction of applications or manual reviews. That's not just efficiency. It's a strategic advantage.

Splitit is built to be embedded into familiar checkouts, powered by existing credit, and distributed through trusted financial institutions. At halftime 2025, we're not building another walled garden. We're building connective tissue — an open, adaptable layer that strengthens the entire ecosystem. This is the kind of infrastructure the future demands.

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TECHNOLOGY, REGULATIONS, RISK BRING DEFINING MOMENT FOR PAYMENTS

ADAM
GRAY

Chief Transformation Officer

stax

As we reach the midpoint of 2025, the payments industry is navigating what may be its most significant realignment in over a decade. The convergence of vertical SaaS, real-time payments, AI adoption and changing regulatory scrutiny is forcing platform leaders to fundamentally rethink their models — not just how payments are processed, but how they're operationalized.

The first half of the year's M&A activity — from Global Payments/Worldpay to FIS/Issuer Solutions — reflects a consolidation play at the top of the market. In parallel, we're seeing something more structurally important: the ongoing verticalization of payments. Software platforms serving specialized sectors — field services, healthcare, legal, nonprofits — are embedding payments deeper into their workflows, not just as a revenue stream, but as a competitive differentiator. Payments are no longer an add-on; they're becoming core to how vertical SaaS companies deliver value to merchants.

That shift brings complexity. As more platforms internalize payments, they're absorbing regulatory risk, fraud exposure and operational challenges once handled by third-party processors. The work isn't just in integrating payments tech — it's in managing onboarding friction, navigating surcharging compliance and building merchant adoption programs that actually scale. Payments are becoming operationally entangled with every layer of SaaS delivery, and many platforms are finding that this requires expertise beyond their historical focus.

The acceleration of real-time payments and instant fund availability is also reshaping fraud dynamics. Faster rails create new vulnerabilities, and fraudsters are capitalizing. Industry forecasts project up to $400 billion in fraud losses over the next decade.

Artificial intelligence (AI)-powered detection is quickly becoming table stakes — but effective deployment requires data governance, model transparency and risk controls that are built into the business, not bolted on as an afterthought. In fraud detection, where precision is paramount to prevent financial loss and misidentified legitimate transactions, the challenge of preventing AI hallucinations poses a significant hurdle without vertically intelligent and embedded solutions.

Meanwhile, digital wallets are emerging as one of the most consequential shifts in consumer behavior. Driven by Gen Z and millennial commerce habits, what was once a convenience is now an embedded expectation. Merchants that fail to meet these expectations risk not only losing transactions, but eroding trust entirely.

All of this is unfolding against a backdrop of regulatory recalibration. State-level privacy laws are expanding and federal agencies continue to scrutinize FinTech's role as both enabler and gatekeeper of financial access. Platforms must now balance growth ambitions with proactive compliance strategies that demonstrate both consumer protection and operational resilience.

The midpoint of 2025 isn't just a checkpoint. It's a defining moment for the future of the payments industry. What separates leaders now is their willingness to architect for complexity, not avoid it, as they build adaptive, vertically intelligent systems that serve merchants, protect consumers, and stay ahead of regulatory shifts. The next era belongs to those players who recognize that payments innovation isn't just about adding new features, but about designing (or redesigning) infrastructure that can scale trust, opportunity and resilience — not just for today, but for what's coming next.

HAL
LONAS
Chief Technology Officer
Trulioo

MID-COURSE CORRECTIONS: PREPARE FOR AI ASSISTANCE AND REGULATORY WHIPLASH

A seasoned pilot recognizes the need for mid-course corrections to stay on course; the primary course correction for the payments industry mid-2025 is mainly around artificial intelligence (AI), whether for fraud defenses, tech stack efficiency or compliance obligations.

Trulioo isn't a payments company, but we partner with enterprise payments providers around the globe for identity and business verification. That gives us a unique perspective because we're seeing the payments landscape through the eyes of hundreds of enterprise organizations that use us for millions of transactions every year.

We find that their priorities for the second half of the year are strikingly similar.

1. Automate to Accelerate: Rethink Verification Architecture

Tech stack complexity is a common headwind for payments providers, particularly as they operate across borders and take on local vendors for each different region.

They want to transform the verification process from a days-long, manual grind into a streamlined, tech-driven operation completed in minutes. The problem is especially acute for business verification. When payments companies enter new markets, they typically integrate new business verification vendors, and each integration requires scarce engineering resources to add and maintain. Then they face the challenge of verifying ultimate beneficial owners (UBOs), so they add yet another vendor to the stack. Each added vendor requires monitoring and error or outage handling, and logic to waterfall to the next vendor when they fail. Pretty soon the tech stack is unmaintainable and requires increasing investment and manual effort — precisely the problems automation is meant to solve.

Liminal highlights these problems in a 2025 business verification report. According to the report, 53% of the organizations surveyed are considering simplifying their business verification vendor stacks, with 85% who do so citing improved efficiency.

The report also shows 95% of respondents plan to adopt AI agents in business verification in the next two years. Integrated, AI-driven platforms that combine business and identity verification in the same onboarding workflow can help organizations shed the excess weight from their vendor stacks.

2. Fight AI Fire With Fire

Deepfakes and injection attacks, along with AI-assisted third-party and synthetic identity fraud, are increasing threats.

The numbers back that up. The ABA Banking Journal reported 22% of organizations have experienced payment fraud from deepfake or executive impersonation attacks. Deloitte's Center for Financial Services projects AI-driven fraud losses could triple from $12.3 billion in 2023 to $40 billion in 2027 in the U.S.

But a strategy that applies cutting edge AI-driven verification can defeat a fraudster's AI, which is likely to defeat incumbent legacy technology.

Some innovative organizations are also employing business monitoring intelligence to proactively watch for changes in their partner businesses. AI can watch for seemingly minor but significant changes around the clock and help with regulatory re-verification requirements.

3. Ride Out the Regulatory Storm

Keeping pace with regulatory change has become an increasingly complex challenge.

In the U.S., for example, the Corporate Transparency Act set forth a requirement that companies operating there register their beneficial owners with the Financial Crimes Enforcement Network. Just as the regulation was set to take effect in March 2025, the U.S. government eliminated the reporting requirements for U.S.-based companies.

In neighboring Canada, the Proceeds of Crime (Money Laundering) and Terrorist Financing Act requires entities that report to the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) capture UBO information when doing business with other companies.

Once again, an AI-driven platform can quickly adapt to the rapidly changing conditions and help organizations stay ahead of shifting regulations. It can automatically tailor verification workflows to meet any regulatory requirement, no matter how the winds shift. This is the new normal, and organizations that can adapt with agility will chart the course and get to their destination without delays.

SECOND-HALF SUCCESS WITH AI

Having reached midway 2025 cruise altitude, payments enterprises have an opportunity to assess their strengths and weaknesses.

AI, whether in verification or regulatory compliance, is fast becoming the trusted autopilot and can keep organizations on course for success in the second half of the year.

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ECONOMIC REALITIES ACCELERATE PAYMENTS INNOVATION

ALEXANDRE
GONTHIER

Founder and CEO

Trustly

As we reach the midpoint of 2025, I find myself reflecting on a pivotal moment that reminds me of Netflix's disruption of Blockbuster — but this time, it's happening across our entire payments ecosystem. The first half of this year has delivered seismic shifts that are fundamentally reshaping how money moves, and frankly, many players are still catching up to this new reality.

THE REAL-TIME REVOLUTION: SPEED MEETS STABILITY

The first half of 2025 has crystallized a fundamental shift toward instant settlement that's reshaping competitive dynamics. FedNow adoption has accelerated beyond projections, with transaction volumes up in Q4 2024, a 2,000% year-over-year rise, while RTP networks are finally delivering on their promise of ubiquitous real-time payments.

What's particularly fascinating is the emergence of stablecoins as a bridge between traditional banking rails and digital assets. We're seeing enterprises experiment with USDC and USDT for cross-border settlements, seeking the speed and non-revocability of cryptocurrency transactions with the familiarity and stability of fiat. However, regulatory uncertainty around stablecoin classification continues to limit mainstream adoption.

At Trustly, our focus remains laser-sharp on guaranteed real-time bank payments, leveraging ACH as the foundation as the most universal settlement network. While others chase the stablecoin narrative, which makes sense in cross-border use cases albeit starting with a limited population of crypto-enabled consumers today, we've enhanced our instant payment capabilities to focus on domestic use cases. In this, we are achieving up to 80% cost reductions for merchants and billers compared to traditional card networks, with approval rates exceeding 95% across 100% of the banked population — i.e. anyone with one or multiple checking or savings accounts — more buying power at the point of sale than crypto for sure, but even debit cards that are linked to a single checking account.

THE AI IMPERATIVE: BEYOND THE BUZZWORD

Artificial intelligence isn't just transforming our fraud prevention — it's revolutionizing how we understand consumer behavior. Our AI-driven risk assessment models now process over 100 million data points per transaction, enabling us to guarantee ACH payments that traditional providers won't touch. This isn't about replacing human judgment; it's about augmenting our ability to serve merchants who've been underserved by legacy payment rails.

The consumer experience improvements have been remarkable. We've reduced account linking friction through intelligent user interface optimization, making pay by bank as simple as clicking a button. When consumers see 5% cash-back incentives — savings passed down from merchants who no longer pay interchange fees on every transaction in exchange for increased customer lifetime value — adoption follows naturally.

ECONOMIC HEADWINDS, TAILWINDS FOR INNOVATION

Regulatory uncertainty and inflation pressures are forcing merchants to scrutinize every basis point of payment processing costs. Interchange rates, which are between 2% and 3.5%, are hard to justify and hurt — particularly for high-volume, low-margin businesses. This economic reality is accelerating pay by bank adoption faster than our most optimistic projections suggested.

I believe we'll see U.S. pay by bank volumes exceed $150 billion by year-end, driven not by technological innovation alone, but by economic necessity. Major retailers following Walmart's lead aren't making philosophical statements about payments — they're making pragmatic business decisions about profitability.

LOOKING AHEAD: THE SECOND-HALF OPPORTUNITY

The convergence of instant payments infrastructure, open banking regulation and merchant cost pressures creates an unprecedented opportunity for pay by bank adoption. Our company is positioning aggressively for this inflection point, investing in our own capabilities and expanding our guaranteed bank payment offerings.

The payments industry's second half won't be defined by who builds the most comprehensive platform, but by who solves the most pressing merchant problems most elegantly. At Trustly, we're betting on consumer coverage, conversion-driving simplicity, cost efficiency and guaranteed outcomes.

The future of payments isn't about replacing cards — it's about giving merchants and consumers a choice when those cards don't serve their best interests.

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POWERING PAYMENT CONFIDENCE, **ASSESSING RISK AND USING DATA**

ISAAC
WHITE

Head of Product

ValidiFI

The first half of 2025 has marked a transformative period for the payments and financial services industries. Generative and agentic AI are revolutionizing everything from real-time fraud detection to customer engagement, while consumer expectations continue shifting toward speed, flexibility and embedded finance. At the same time, fraudsters are evolving just as quickly, exploiting new digital channels and techniques to bypass traditional defenses. As such, regulators and industry bodies are stepping up.

In response, ValidiFI has developed numerous solutions and data partnerships to help organizations. Leveraging our vast proprietary and authoritative data networks, ValidiFI provides real-time bank account and payment intelligence into bank account validity, ownership, payment behavior and consumer risk signals — empowering clients to make smarter, faster decisions. As the industry responds to the upcoming

Nacha fraud monitoring rule, ValidiFI, a Nacha preferred partner, enables additional layers of protection through assessing connections for velocity across our network and detecting evolving fraud. For example, requests with a high frequency of change between a consumer and their PII had a 130% increase in likelihood of fraud. Similarly, for accounts with three or more phones associated with them in the past 30 days, the fraud rate was 2.75 times greater than average. ValidiFI is positioned to deliver more security and confidence in a complex payment environment.

TURNING BANK ACCOUNT DATA INTO A TRUST ENGINE

As a leader in bank account and payment intelligence, ValidiFI helps clients assess bank accounts and risk, as well as fraud for onboarding, payments and lending for both consumers and vendors. By integrating AI/machine learning and pattern matching algorithms within our proprietary and authoritative third-party data networks, we can analyze bank accounts and routing numbers with predictability and precision. This allows our clients to tap into known patterns of bank account structure, as well as pattern recognition so they can validate up to 96% of accounts with greater accuracy and confidence.

In addition, by layering additional fraud signals, organizations can uncover hidden instances of fraud. In our network, when we see three or more Social Security numbers tied to a bank account, it results in a 10x increase in fatal return rate for that payment attempt. Additionally, consumer applications where we flagged an invalid email result in a fraud rate 210% higher than average. One of our clients saw an increase in risk of 35% for accounts where the last name did not match the bank account compared to accounts where the last name matched. In another instance, a client came to us after being hit by a fraud ring where they funded a large number of loans to valid bank accounts. We found if they had been leveraging our predictive attributes, they would have been able to mitigate the fraud ring entirely. With the rise of synthetic fraud, AI in payments fraud and the difficulty of distinguishing “good” from “bad” accounts (especially among neobank users), the ability to triangulate new and unconventional data points is critical.

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DELIVERING STREAMLINED, SECURE EXPERIENCES THROUGH CUTTING-EDGE FRAUD PREVENTION

DEAN
MICHAELS
Chief Operations Officer
velera

In today's increasingly digital financial landscape, credit unions face growing pressure to deliver secure, seamless member experiences while operating more efficiently. Fraud prevention remains one of the most significant challenges, especially as fraudsters are using artificial intelligence (AI) and sophisticated digital tools to carry out attacks faster, more frequently and at greater scale. To stay ahead, credit unions must adopt their own advanced AI and data analytics strategies — not only to detect and stop fraud, but to enhance operations and elevate the member experience.

At Velera, the nation's premier payments credit union service organization (CUSO) and an integrated financial technology solutions provider, we continue to invest in the resources, tools and personnel to help credit unions rise to this challenge. A cornerstone of our approach is Linked Analysis, our proprietary industry-leading fraud prevention tool that leverages machine learning and advanced data analytics to aggregate fraud signals across all channels and transactions in real time. It connects and analyzes member interactions across card, digital, branch and more — enabling early detection and proactive intervention.

This powerful technology not only strengthens fraud defenses, but also contributes to greater operational efficiency. By automating complex monitoring tasks and delivering real-time intelligence, Linked Analysis reduces the manual burden on credit union teams. At the same time, the insights it generates can be used to personalize member offerings, such as customized member risk approaches or enhanced alerts — turning fraud prevention into an opportunity to improve service and engagement.

Recognizing that every credit union has unique needs and resources, Velera recently introduced a tiered risk management service model. This model provides credit unions with flexible, scalable options tailored to their risk profiles and operational realities. Whether a credit union is just beginning to invest in fraud mitigation or already has a robust program in place, customized support ensures alignment with its goals today — and adaptability for tomorrow.

Beyond Velera's internal innovations, we are committed to helping the broader financial services ecosystem navigate an increasingly complex fraud landscape. For example, Velera's recently released consumer-engaged fraud white paper helps institutions better understand the evolving nature of fraud, classify incidents accurately and reduce both institutional and merchant exposure.

As we look to the second half of 2025 and beyond, Velera sees a growing need for credit unions to expand fraud prevention beyond functional silos. Credit unions must adopt a holistic, enterprise-wide approach — one that considers fraud risk across lending, cards, digital banking and member support collectively. By focusing on solutions addressing this need, Velera can empower credit unions to move beyond reacting to fraud to getting ahead of it — protecting their members, streamlining operations and delivering stronger, more secure financial experiences.

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SEAMLESS, SECURE AND SMART: THE NEXT ERA OF DIGITAL PAYMENTS IN 2025 AND BEYOND

GLORIA
COLGAN

Senior Vice President, Global Head of Commercial Product

VISA

As we look toward the second half of 2025, the payments industry is poised for unprecedented transformation, fueled by advances in instant payments, digital wallets and virtual cards. The convergence of these innovations, alongside emerging technologies, signals a new era where consumers and businesses expect payments to be not just fast, but also seamless, secure and intelligent. Here are key disruptive trends evolving to meet those expectations.

EMBEDDED FINANCE

Embedded finance is rapidly reshaping the payments landscape by integrating financial services, especially payments, into a wide range of non-financial platforms. Whether ordering a ride, shopping online or booking a hotel, consumers increasingly expect payments to be invisible and frictionless. This shift enables businesses across sectors to offer more streamlined experiences and opens new opportunities for innovative partnerships and business models. The result is a more connected ecosystem, where payments are seamlessly embedded into users' everyday digital activities.

REAL-TIME, CROSS-BORDER PAYMENTS

As global commerce accelerates, so does the demand for real-time, cross-border payments. Businesses are expanding internationally, and consumers are transacting across borders more than ever. Innovations like blockchain, improved correspondent banking networks and the adoption of ISO 20022 messaging standards now make it possible to move money instantly and securely, around the clock. These advancements reduce settlement times, increase transparency and lower costs for both businesses and consumers. The ability to send and receive payments in real time, regardless of location, is quickly becoming the standard expectation in the global economy.

TOKENIZATION AND ENHANCED DIGITAL SECURITY

With the mainstream adoption of digital wallets and virtual cards, tokenization has become a cornerstone of secure digital transactions. By replacing sensitive card details with unique digital identifiers, tokenization protects consumers from fraud and enables safer commerce across channels, including IoT devices and wearables. The payments industry is also investing heavily in advanced security measures, such as AI-driven fraud detection and biometric authentication, to stay ahead of evolving cyber threats. These technologies are critical for maintaining consumer trust and ensuring the integrity of digital payment ecosystems.

ARTIFICIAL INTELLIGENCE, AGENTIC SYSTEMS AND PERSONALIZATION

Artificial intelligence, particularly agentic AI, is poised to further disrupt the payments industry by enabling hyper-personalized, context-aware experiences. From intelligent expense management to real-time fraud detection, AI and machine learning are making payments smarter, safer and more relevant for every user. Advanced analytics help merchants and financial institutions better understand customer behavior and preferences, allowing them to tailor offerings and improve satisfaction. The rise of generative AI is also transforming the nature of work — accelerating code development, enabling more intuitive user interfaces and allowing interaction with systems using natural language. As agentic and generative AI continue to evolve, their impact on the payments ecosystem will only grow, driving innovation and fundamentally changing how we work and interact.

SUSTAINABLE AND INCLUSIVE PAYMENTS

The next wave of disruption in payments is not just about technology — it's also about impact. Sustainable payment solutions, such as digital receipts, carbon footprint tracking and eco-friendly virtual cards, are gaining traction among ethically conscious consumers and businesses. At the same time, efforts to promote financial inclusion ensure that the benefits of digital payments extend to underbanked and underserved populations. These initiatives help create a more equitable and sustainable global payments ecosystem, where everyone has access to secure, convenient and responsible financial services.

THE BIG PICTURE

The payments industry is experiencing rapid and profound change, driven by technological innovation and shifting consumer expectations. Industry leaders are responding by building scalable infrastructure, forming strategic partnerships and investing in next-generation AI technologies. As instant payments, digital wallets and virtual cards continue to redefine how money moves, the focus remains on making every transaction simple, secure and accessible — anytime and anywhere. The future of payments is digital, intelligent and inclusive, and the industry is rising to meet the challenge.

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THE NEXT BIG DISRUPTION IN PAYMENTS? **REAL-TIME, MOBILE AND VIRTUAL — ALL WORKING TOGETHER**

ERIC
FRANKOVIC

President of Corporate Payments

WEX

The second half of 2025 will challenge the payments industry to meet expectations that were once considered futuristic — speed, transparency and control as the norm, not the exception. We're not just watching payment trends evolve; we're seeing them converge. And that convergence is changing how money moves in the business world.

Instant payments are set to disrupt B2B transactions in a way we haven't fully seen yet. While consumer adoption has paved the way, business users are now demanding the same immediacy — not just for convenience, but for liquidity and decision-making. The ability to send or receive funds in real time opens up new ways to manage cash flow, reduce supplier friction and eliminate costly float. But the real disruption will come from how businesses adapt their processes around this speed. They'll be forced to rethink the workflows that connect them.

Digital wallets are also entering a new phase in the corporate space. Formerly seen as a consumer convenience, wallets are becoming efficient tools for managing business spend, especially for remote teams, gig workers and frontline employees. We're seeing increased demand for mobile wallet integration with virtual cards, giving companies more control over who can spend, where and how — without issuing a traditional plastic corporate card. As more organizations explore "mobile-first" payment strategies, this will fundamentally change how business payments are issued and tracked.

Virtual cards continue to gain traction as a flexible, secure alternative to checks and ACH. But the disruptive potential lies in how they're being used — not just for one-off payments, but embedded into automated AP workflows. With the right systems in place, businesses can issue thousands of virtual cards per month with unique controls and reconciliation baked in. This transforms payments from a back-office task into a source of insight and even revenue.

Together, these technologies are redefining what companies expect from a payment solution. Flexibility, speed, transparency, and security are no longer trade-offs — they're requirements. As we see adoption accelerate across industries, the players who will lead the next era of payments are the ones who can integrate these capabilities into everyday business operations without adding complexity.

In short, the rest of 2025 will be shaped not by new tools, but by how well we integrate multiple technologies to simplify business. The real disruption will come when modern payment technologies stop feeling like innovation — and start feeling like the way business just gets done.

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ABOUT

PYMNTS is where the best minds and the best content meet on the web to learn about “What’s Next” in payments and commerce. Our interactive platform is reinventing the way in which companies in payments share relevant information about the initiatives that shape the future of this dynamic sector and make news. Our data and analytics team includes economists, data scientists and industry analysts who work with companies to measure and quantify the innovation that is at the cutting edge of this new world.

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