

January 2026

2026
2025's

PYMNTS®

OVER/UNDER



**The Bets That Paid Off
and the Hits
No One Called**

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2025's OVER/ UNDER

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2025'S OVER/UNDER:

THE BETS THAT PAID OFF AND THE HITS NO ONE CALLED



The first half of the 2020s didn't just accelerate payments and commerce. It stress-tested every assumption the industry carried into the decade — and forced leaders to decide, in real time, what to keep, what to kill and what to rebuild. That is the premise of this edition: an "Over/Under" look back at the developments executives saw coming and prepared for, and the unexpected turns that demanded course-corrects, pivots or entirely new opportunity maps.

If the “Over” had a headline, it might be this: the wallet won. Not as a feature, but as the default. Cyril Villemin at Thales frames how Apple Pay and the pandemic-era surge reset what “good” looks like — frictionless, tokenized and authenticated at the device layer, turning tokenization from a security upgrade into foundational infrastructure. And with that foundation in place, the conversation is already shifting from tap-to-pay to the next interface: agentic commerce, where software agents initiate payments on trusted rails.

The responses also showed that speed stopped being a differentiator, and became a promise you must operationalize. Real-time expectations didn’t arrive politely; they kicked the door in. Chuck Fagan at Velera details how credit unions leaned into real-time capabilities and account validation to cut friction from “first transaction” moments — while discovering that speed quickly exposes weak links in onboarding,

identity and risk. Prashant Shah at Galileo Financial Technologies puts it even more bluntly: once you promise faster money movement, exception handling and recovery can’t be afterthoughts, because that’s where trust is won or lost.

Payments didn’t just digitize; they became informational. David Keenan at FIS points to basket-level intelligence and real-time analytics as the “Over” bet — using granular data to power personalization, loyalty and better outcomes across the ecosystem. And on the B2B front, Boost underscores the same reality from the CFO’s seat: interoperability and usable data aren’t nice-to-haves, they’re what make modernization feasible at scale.

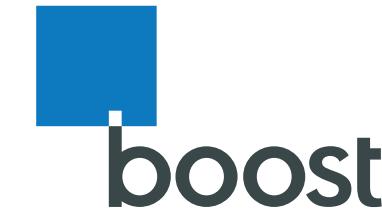
HANDICAPPING THE UNDER

The “Under” was trust: governance, compliance and resilience moved to the top of the agenda

If there’s a surprise theme threading through these pages, it’s that trust became a product requirement, not a legal checkbox. Drew Edwards at Ingo Payments calls the BaaS shakeout a predictable outcome of fragmented vendor stacks and a reminder that accountability doesn’t outsource. Galileo adds the operational corollary: buyers stopped asking what a platform does and started asking what happens when it fails.

Technology headlines can obscure the oldest truth in finance: liquidity is personal. Paymentus writes from the bill-pay front lines, where cost-to-serve pressure and customer experience collide — and where “every bill is worth more than the balance due.” Ingo goes further, arguing the real story is still the worker; the tens of millions living on timing, not theory and the urgency of access to earned wages.

These chapters — spanning leaders from Velera, Paysafe, One Inc, FIS, Boost, Ingo Payments, Paymentus, Thales and Galileo — don’t just recap the last five years. They offer a field guide to the signals that mattered, the assumptions that broke and the rewired priorities that will shape 2026 and beyond.



DEAN M.
LEAVITT

Founder and CEO

DEMAND FOR DATA AND
DIGITAL SOLUTIONS WILL
CONTINUE TO **DRIVE**
INNOVATION

As we close the books on the first half of this decade, the payments landscape has transformed in ways few could have fully anticipated.



Entering the 2020s, the push to digitize payments was clear. The office of the CFO was focused on modernizing payables and receivables, seeking solutions to streamline processes for buyers and suppliers and optimize working capital. At Boost, we anticipated this shift and invested early in technology to help clients migrate from analog systems like checks and wires to digital platforms, especially commercial cards. This preparation allowed us to meet the growing demand for digital payments and support clients as they moved from legacy to modern systems.

We also recognized a rising appetite for data. As companies became more sophisticated, their need for actionable insights and flexible data delivery increased. Our platform was built to capture and deliver data in the formats and protocols stakeholders required, ensuring buyers and suppliers could access information when needed. Our commitment to interoperability,

plugging into clients' existing systems rather than requiring resource-intensive implementations, proved to be a strategic advantage and enabled us to expedite onboarding and deliver value quickly.

Yet, even the best-laid plans were tested by the unexpected. The COVID-19 pandemic was a seismic event that no one could have predicted. While its societal impact was profound, from a business perspective it accelerated the shift to digital payments at a pace we hadn't imagined. Companies were forced to abandon legacy processes almost overnight, driving a surge in digital transaction volumes and creating new opportunities for those prepared to respond. Our philosophy of rapid, low-friction integration allowed us to help clients adapt quickly and reinforced the importance of flexibility in times of crisis.

Perhaps the most profound "under" was the meteoric rise of artificial intelligence. While AI had been in development for years, the launch of ChatGPT and subsequent advancements made AI accessible to non-technologists in ways that were previously unimaginable. Suddenly, business users could leverage AI to automate processes, reduce errors and even generate code. These capabilities are fundamentally reshaping how technology is built and deployed. The pandemic's spotlight on automation and efficiency primed the market for this rapid adoption, and we've seen firsthand how AI is expanding the aperture of what's possible in payments and beyond.

Looking back, the early signals that mattered most were the growing demand for digital solutions, the hunger for actionable data, and the need for platforms that could adapt to clients' unique environments. The unexpected events of the past five years reinforced the value of flexibility, interoperability and a relentless focus on client needs.

As we look to 2026 and beyond, the convergence of digital payments, data-driven decision-making and AI-powered automation will continue to define our industry. The leaders who thrive will be those who not only anticipate change but build organizations capable of pivoting when the unexpected arrives. At Boost, these lessons have rewired our priorities and will guide our strategy for the next chapter of payments innovation.



DAVID
KEENAN

Global Head of Payment Networks

2025 – THE OVER/ UNDER: REWIRING PAYMENTS FOR A NEW ERA

As we close the books on the halfway point of this transformative decade, the payments ecosystem stands at a pivotal juncture. The past five years have been a whirlwind of innovation, disruption and in certain ways recalibration. At FIS, we've had a front-row seat to these changes, and our journey has been defined by both the "over" — the trends we anticipated and prepared for — and the "under" — the surprises that reshaped our strategies and opened new doors.

THE OVER: ANTICIPATING THE RISE OF PERSONALIZATION AND DATA-DRIVEN PAYMENTS

We entered this decade with a clear vision: payments would evolve beyond mere transactions to become strategic enablers of value creation. This foresight drove our investments in technologies like integrated basket intelligence, loyalty solutions and real-time data analytics. We knew that consumers would demand more personalized, seamless, and rewarding payment experiences — and that sellers would seek tools to drive efficiency, loyalty and growth.

THE RISE OF BASKET-LEVEL INSIGHTS HAS BEEN A GAME-CHANGER. BY UNLOCKING GRANULAR DATA ABOUT WHAT, WHEN AND WHERE CONSUMERS BUY, WE'VE HELPED EMPOWER FINANCIAL INSTITUTIONS, RETAILERS AND BRANDS TO DELIVER HYPER-PERSONALIZED OFFERS, REDUCE FRAUD AND OPTIMIZE MARKETING ROI. **THIS SHIFT FROM TRANSACTIONAL TO RELATIONAL PAYMENTS WAS A TREND WE SAW COMING, AND IT HAS BEEN GRATIFYING TO SEE OUR EARLY INVESTMENTS PAY OFF.**

THE UNDER: NAVIGATING THE UNEXPECTED OPPORTUNITIES OF ECOSYSTEM INTEGRATION

What the market didn't fully anticipate was the speed and scale at which ecosystem integration

would redefine the payments landscape. The convergence of payments, loyalty and digital wallets has created opportunities to reimagine the entire shopping journey. Consumers now expect a frictionless experience that blends payments with rewards, financing options like buy now, pay later (BNPL), and even alternative currencies like stablecoins. This unexpected acceleration forced us to pivot quickly. We doubled down on creating a cohesive financial ecosystem that synchronizes transactions, payment systems, and financial networks. By integrating these elements, we're unlocking new ways to help our clients differentiate themselves and deliver value to their customers.

LESSONS LEARNED AND THE ROAD AHEAD

The past five years have taught us that agility is as important as vision. Early signals — like the growing demand for real-time data

and the shift toward digital-first commerce — were critical in shaping our strategies. But it was our ability to adapt to unforeseen developments, like the rapid adoption of alternative payment methods, that truly defined our success.

As we look to 2026 and beyond, FIS remains committed to deepening integrations and leveraging emerging technologies like agentic AI to elevate the payments ecosystem. Our vision is clear: to help transform every transaction into a moment of value creation for all participants. By launching FIS Smart Basket, we're unlocking item-level insights, delivering personalized rewards, and creating seamless shopping experiences. By redefining loyalty and driving value for consumers, merchants and brands, FIS is helping to set a new standard for the future of payments.



PRASHANT
SHAH

VP of Product Management

MID-DECADE REALITY CHECK: PAYMENTS THAT DELIVER CONFIDENCE, NOT JUST FEATURES

Halfway through the decade, it's clear that payments don't win on features alone. They win on confidence: predictable outcomes, fast recovery when something breaks, and controls that stop bad actors without tripping up everyone else.



The last five years made that shift unavoidable. Fraud kept evolving, the cost of capital changed what “growth” means and industry shifts reminded everyone that stability is built through ecosystems, not individual companies.

The hardest questions haven’t been about what’s possible to build. They’re about what’s possible to operate safely at scale — protecting end users while meeting the expectations of banks, networks and partners behind the scenes.

THE OVER: WHAT WE SAW COMING AND BUILT FOR

- Digital-first payment experiences became the baseline. Better experiences mattered, but so did disputes, outages, customer support and the gray areas where trust is won or lost

- Embedded programs grew up. More non-financial brands moved from “Should we offer this?” to “How do we run it responsibly?” Execution became the differentiator: governance, monitoring and post-launch operations.

- Debit rewards came back. Debit rewards made a comeback as credit tightened and brands looked to drive loyalty with the growing segment of debit-first and credit-averse consumers. In 2025, Wyndham, Southwest and United each launched a debit rewards program.
- Fraud became part of the product. The strongest programs designed risk controls into the flow and were intentional about where friction belongs.
- Modularity beat rebuilds. API-driven systems proved to be a practical way to add partners, expand capabilities and adapt faster without ripping out the foundation.

- Faster money movement became normal. Once you promise speed, reconciliation and exception handling can’t be afterthoughts. Weak links show up immediately as customer pains.

THE UNDER: WHAT SURPRISED LEADERS AND FORCED STRATEGY SHIFTS

- Trust shocks moved up the stack. Confidence in partners, program structures and resiliency moved from operations to the top of the agenda.
- Oversight tightened at the program level. Speed to launch had to coexist with clear accountability, monitoring and the ability to demonstrate controls.

- Stablecoins re-entered the serious payments conversation. With the GENIUS Act establishing a framework for payment stablecoins, more teams began evaluating regulated stablecoins for settlement speed and select cross-border flows, including remittances.

- Efficiency pressure reshaped roadmaps. Retention, loss reduction and operational simplicity started outranking novelty.
- AI moved from interesting to expected. It raised the bar for decisioning and defense and exposed the cost of weak data governance.

The early signal that mattered most was subtle but decisive. Buyers stopped asking, “What does it do?” and started asking, “What happens when it fails?”

THE LESSON AS WE HIT THE HALFWAY POINT OF THE DECADE

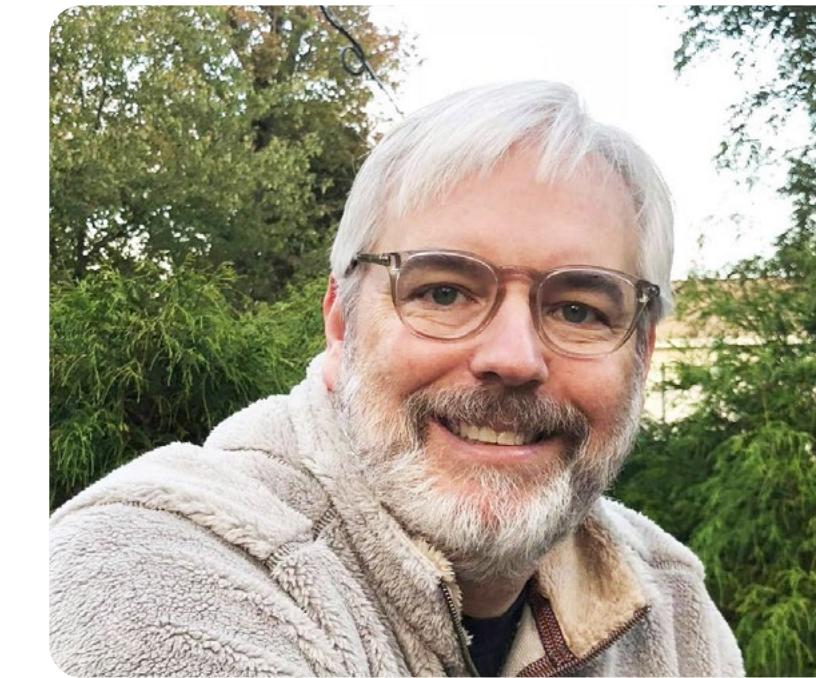
The real advantage going into the second half is repeatable speed

— launching and running new programs without reinventing governance, controls and operating models every time.

THAT'S WHY THE NEXT WAVE OF FOCUS IS MOVING TOWARD FEWER, BIGGER BETS: **EVERYDAY PAYMENT EXPERIENCES THAT HOLD UP UNDER PRESSURE, RISK AND FRAUD CONTROLS DESIGNED INTO THE FLOW FROM DAY ONE AND OPERATING DISCIPLINE THAT KEEPS PROGRAMS STABLE AS THEY SCALE.**



The Bets That Paid Off
and the Hits
No One Called



INGO Payments

**DREW
EDWARDS**
CEO

THE AMERICAN WORKER WAS **THE STORY ALL ALONG**

Ingo Payments was born as a brick-and-mortar financial institution with 12 branches in the Atlanta metro, serving working-class Latino immigrants who lived on transactional payroll every day. These consumers would line up in our lobbies with a check to cash and a bill or two they needed to pay right away. They were not poor. They were skilled at managing cash flow from job to job and gig to gig. They just needed the timing to work. That memory shapes how I evaluate the past five years.

Looking back on the first half of this decade, I think about it in terms of what I saw coming and what caught me off guard. My “over” was the banking as a service (BaaS) shakeout. I watched platforms cobble together a dozen third-party vendors and call it innovation, and knew regulators would eventually call it something else. My “under” was simpler and more humbling: while the industry chased AI and stablecoins, the American worker’s basic need to access their paycheck got more urgent, not less.

Here’s what I mean:

THE OVER: THE BAAS SHAKEOUT

The Synapse collapse was not a black swan. It was the predictable result of an industry that prioritized growth metrics over compliance infrastructure. When your platform

depends on eight to 12 vendors to process basic transactions, demonstrating effective risk management becomes nearly impossible. [Nine sponsor banks](#) received consent orders in 2024. [Blue Ridge](#) exited BaaS entirely after running 70 FinTech partnerships. The message was clear: a bank’s use of third parties does not diminish its responsibility to comply with all applicable laws. The companies that survive will own the majority of their value chain and have the resources to build compliance programs that really work.

THE UNDER: THE WORKER NEVER WENT AWAY

Here is what I underestimated. While FinTech funding collapsed [70%](#) and the industry poured capital into AI and crypto, the American worker’s financial stress intensified. Two-thirds of Americans now live paycheck to paycheck. And 42% live that way out of necessity, not choice — a number that jumped 18% in the [past year alone](#).

The [Wage to Wallet Index](#) we developed with PYMNTS Intelligence quantifies what I saw in those Atlanta lobbies decades ago. The Labor Economy — roughly 60 million workers in shift-based and hourly roles — drives 15 % of total consumer spending. These workers are highly sensitive to when money arrives, not just how much. The modern gig worker lives ride by ride, delivery by delivery, stitching together cash flows just like those customers two decades ago. Millions still leave work every day with a paper paycheck. The problem we started solving in 2001 is bigger than ever.

WHAT 2026 REQUIRES

The lesson from this decade’s first half is that the American worker was the story all along. Not AI financial advisors that only [17% of consumers trust](#). Not stablecoins that only [13%](#) of institutions use. Not BNPL products where [41% of users](#) paid late last year. It is expensive to be poor in America. The timing of pay is as critical to the worker as the amount. The winners in 2026 will be the companies that remember why we got into this business and build for the people who need us most.

 **ONE INC**

IAN
DRYSDALE
CEO

MASTERING COMPLEXITY: THE FUTURE OF INSURANCE PAYMENTS

The insurance industry has undergone a seismic transformation over the past five years, evolving from traditional paper-based processes to a digitally driven ecosystem, where payments, digitalization and connectivity now define carrier and MGA competitive advantage.



THE EXPECTED: COMPLEXITY WOULD PROVIDE THE EDGE

One of the developments we prepared for was the increasing specialization of insurance payments. Insurance isn't commerce. It's not utilities. It's not tax. It's a web of premiums, claims, refunds, commissions, liens, subrogation, state regulations, data dependencies and complex workflows that multiply at scale. We believed that multi-industry payment platforms would struggle as both volume and client requirements increased, and that insurers would ultimately choose depth over the generic.

One Inc developed deep integrations into core systems supported by payment orchestration across ACH, digital wallets, credit and debit cards, and emerging rails. We adopted a network strategy that treats payers, payees, vendors, lienholders and servicers as valued stakeholders.

We also focused on providing compliance at scale, including banking, card network programs and state level regulations by line that others couldn't operationalize.

WE BELIEVED THE MARKET WOULD REWARD OPERATIONAL CREDIBILITY OVER THIN UX OVERLAYS THAT DON'T HAVE THE CAPABILITIES REQUIRED TO FULLY DIGITALIZE INSURANCE PAYMENTS. **AS VOLUMES GREW, INSURERS GRAVITATED TOWARD PARTNERS WHO COULD ABSORB COMPLEXITY RATHER THAN ABSTRACT IT AWAY.**

THE UNEXPECTED: HOW FAST THE CENTER OF GRAVITY WOULD SHIFT

What we underestimated wasn't the direction of change but the speed of it. First, insurance payments quickly became strategic starting in 2020 when printing checks from an office was no longer feasible. Second, boards and CEOs started viewing payments as an efficiency multiplier as well as a customer-experience and generational requirement. And critically, while we knew the digitally enabled ecosystem of a vast network would be imperative to success, it mattered sooner.

Once scale was reached, connectivity itself became the client demand. The value wasn't just software; it was who was already connected. These shifts created opportunities to adjust course in real time by tightening focus, sequencing initiatives more aggressively, and by saying no to adjacent ideas when they distracted from the core network.

THE INSURANCE PAYMENTS INDUSTRY ISN'T ABOUT CHASING TRENDS

Succeeding in insurance payments requires mastering complexity and building scalable ecosystems. Strategically, we've doubled down on what we do best, which is enabling insurers to thrive in a fragmented, high-stakes environment. That meant innovating in ways that matter, like real-time payments, AI-driven insights and deeper core systems integrations. It also meant leaning into partnerships, whether with banks, core systems providers, or systems integrators, to ensure we're not just a vendor but a cornerstone of the insurance ecosystem.

As we move into 2026 and beyond, our focus remains clear. We will innovate with purpose, scale with discipline, and deliver client-validated value that compounds over time. The insurance industry is evolving rapidly, and we're proud to help our partners navigate challenges and seize the opportunities that lie ahead.



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Paymentus

**DUSHYANT
SHARMA**

President and CEO

EMERGING TECHNOLOGIES AND CHANGING ECONOMICS **DRIVE SERVICE AND COMMERCE TOGETHER**

As the economic environment continues to be somewhat challenging for households, service providers are looking for ways to ensure that customers are able to pay their nondiscretionary bills with ease, while also ensuring an improved quality of service. We have found technology can help achieve what was previously deemed to be impossible — improving the customer experience while lowering the cost to serve.

Over the past five years, tech innovation has transformed billing and payments from an operational cost center to a value generator. Service providers now have the ability to deliver remarkably seamless, efficient and personalized experiences that exceed every expectation — while saving money in the process. In this new paradigm, every bill is worth more than the balance due.

OVER: CUSTOMER ENGAGEMENT IS PARAMOUNT

Traditional, transactional solutions are no longer acceptable. It is now about hyper-personalized customer engagement.

A lack of systems intelligence prevented this, creating barriers between service providers and customers. These barriers increased call volumes to service providers, as well as delayed or missed bill payments.

The lack of systems intelligence also created an all-too-familiar customer experience: a customer seeks clarification on a bill, places a call to the call center, navigates a menu of options, waits to speak to a live agent and then is asked to authenticate their identity and account information before conducting any business. For organizations and customers alike, this is inconvenient, costly and completely unnecessary.

RECOGNIZING THE IMPACT OF THIS FRICTION POINT YEARS AGO, WE CREATED SEVERAL INNOVATIVE TECHNOLOGIES TO BRING INTELLIGENCE TO EVERY CUSTOMER INTERACTION AND SIMPLIFY TRANSACTIONS. **NOW, EVERY CLIENT ON OUR PLATFORM CAN DELIVER A LOYALTY-MEMBER EXPERIENCE TO ALL OF THEIR CUSTOMERS.**

Every interaction becomes more personal, more purposeful and more valuable. Already, we have seen our clients recognized for their customer service by industry leading evaluation firms including J.D. Power. Committing to this strategy ensures we are optimizing the entire customer experience, not just the billing and payment aspect.

UNDER: AFFORDABILITY BECOMES A CHALLENGE FOR ALL

No one could've anticipated the long-term impact of COVID on our global economy.

It is against this backdrop that we have carefully crafted our product strategy to add value and minimize costs. For instance, our clients can benefit from cash payments accepted at retail locations, offering convenience for customers while enabling our clients to accept payments on nights and weekends without adding costs.

Self-serve digital channels also reduce the burden on customer service teams, and intelligent technologies can help service providers anticipate customer needs and provide just-in-time solutions to not only reduce their own costs, but also create a collaborative environment where customers are empowered to pay their bills when, where and how they like. This is the pinnacle of service and commerce.



Paysafe

BRUCE
LOWTHERS
CEO

OVER/UNDER: LESSONS FROM 5 YEARS THAT REWIRED PAYMENTS

Looking back at the predictions made in 2020 by major industry players like McKinsey, Deloitte, Visa and Mastercard, most were remarkably accurate, though the timeline was compressed by the pandemic.



In a remarkably short time, the way people pay — and expect to pay — changed for good. Digital and contactless experiences became the norm. Speed and convenience stopped being “nice to have” and became basic expectations. Behind the scenes, companies, banks and governments had to modernize systems that were never designed for this level of scale, speed or resilience.

OVER: WHAT WE SAW COMING AND PREPARED FOR

- Explosion of digital wallets and mobile payments: This was spot-on. Global digital wallet transaction value hit \$10 trillion in 2024, up from \$3.9 trillion in 2020. Mobile payments soared, driven by Apple Pay’s dominance and Gen Z adoption. Smartphone penetration was a game-changer as consumers increasingly use

their phones as their primary payment tool.

- Fraud prevention and security: AI-driven tools like tokenization and MFA adoption delivered measurable impact, reducing eCommerce fraud by up to 30%. Real-time detection now processes over a billion transactions daily.
- Embedded finance and open banking: Embedded payments hit \$6.5 trillion in volume by 2025, and open banking adoption grew steadily, though U.S. progress was slower due to regulatory fragmentation.
- Contactless and cash usage: Cash usage fell sharply in mature markets, but cash remains surprisingly resilient globally. The coexistence of cash and digital reflects diverse consumer needs.

• Merchants’ evolving needs: Once expected to navigate increasingly complex financial reporting, small and medium-sized businesses (SMBs) today increasingly expect to manage their finances as seamlessly as consumers do. There is a demand for immediate access to funds and a consolidated view of performance.

• Rise of real-time payments: the prediction of their high availability was correct, with UPI in India and Pix in Brazil leading the charge. However, in the U.S., this didn’t scale as expected, lagging behind other markets. Bank transfers and alternative payment methods remain critical, but instant payments haven’t reached the ubiquity seen elsewhere.

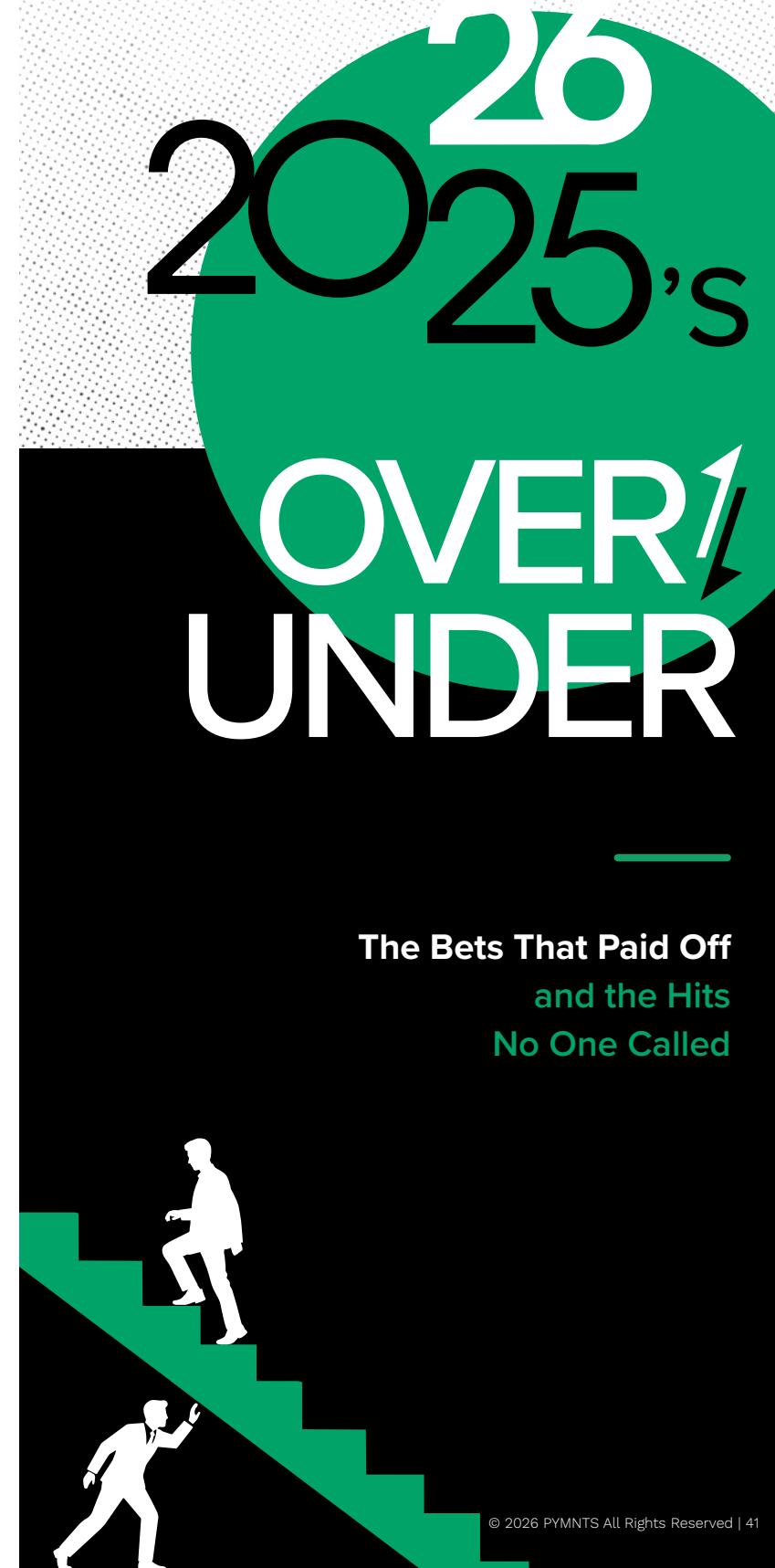
- Surge of AI, followed by its role as an advisor: Not only was the surge of AI quick with ChatGPT’s first adoption spike in November 2022, but its record usage brought a shift in consumer behavior — people increasingly turn to AI for general advice instead of search engines, signaling a new era of trust in machine-driven insights.

UNDER: THE UNEXPECTED TURNS

- Wallet-free retail didn’t materialize as imagined: Grab-and-go store concepts struggled and many closed, proving that frictionless doesn’t always equal recurrent business, and perhaps consumers appreciate some interaction.

LESSONS FOR 2026 AND BEYOND

The past five years reinforced that adaptability is the ultimate competitive advantage. Predictions were largely held, but the location, pace and shape of changes were unpredictable. Early signals like smartphone ubiquity and AI's rise mattered more than anyone realized. For the next chapter, we expect continued convergence of payments and data, deeper personalization, and a sharper focus on resilience. The over/under lens reminds us that while foresight is valuable, flexibility defines success.



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THALES
Building a future we can all trust

**CYRIL
VILLEMIN**
SVP for Europe Region

FROM DIGITAL WALLETS TO THE DAWN OF AGENTIC COMMERCE

Digital wallets were on issuers' roadmaps, but Apple Pay's exponential adoption and eCommerce scale reset payment expectations, making frictionless, tokenized payments the standard and laying the foundation for agentic commerce.



FROM WALLET READINESS TO APPLE PAY AS THE NORM

Over the past five years, digital wallets have shifted from early adoption to mass deployment. Apple Pay acted as the primary catalyst for both issuer enablement and cardholder usage.

Issuers progressively enabled Apple Pay as it rolled out across new markets, laying the groundwork for transactions to scale. With the onset of COVID-19, wallet-based transaction volumes accelerated sharply, and Apple Pay captured a disproportionate share. For many consumers, the wallet became the preferred payment method rather than a secondary option.

While the pandemic served as a short-term accelerator, the momentum behind digital wallets proved both structural and sustained. Adoption outpaced expectations because Apple Pay introduced a fundamentally

different and unified experience. The wallet reset user expectations by delivering a frictionless experience across in-store shopping and eCommerce. Its combination of tokenization and biometric authentication shifted payment authentication away from merchants and issuers and into the wallet layer, enabling transactions to scale without added complexity.

THE ECOMMERCE ACCELERATION NO FORECAST FULLY ANTICIPATED

At the same time, the speed and depth of the growth in eCommerce exceeded most expectations. What initially appeared to be a temporary spike caused by the pandemic became a permanent shift in purchasing behavior. Tokenized transactions moved from an edge case to the default, positioning tokenization as a core payment rail. The rapid expansion of eCommerce amplified long-

standing tensions between fraud prevention, user experience and checkout conversion, forcing the industry to rebalance security and user experience. Apple Pay addressed these challenges early, establishing a benchmark the broader ecosystem has been trying to match ever since.

Today, eCommerce payment flows are increasingly designed to strike the right balance between security and frictionless experience. Secure enrollment, minimal user effort and authentication delegated to the payment device are now baseline expectations rather than differentiators. New solutions continue to emerge on top of tokenization rails, from Click to Pay to network- and wallet-led initiatives such as Paze, as well as payment passkeys aiming to deliver consistent experience across merchants and consumers with biometric authentication.

FROM FRICTIONLESS WALLETS TO AGENTIC COMMERCE

Taken together, the last five years confirmed the frictionless user experience as a strategic necessity. With trusted rails firmly in place, the industry is entering a natural next phase on the path to agentic commerce. Initiatives such as Google's Agent Payments Protocol or Open AI's Agentic Commerce Protocol are essential to standardize and support the fast scaling of this new payment flow where shopping agents will initiate payments. Tokenization and biometric authentication are playing a central role in this foundational infrastructure.

The past year provided a vivid demonstration of how unforeseen events can change the landscape almost overnight. Even so, there can be little doubt that agentic commerce will represent the next defining force in the payment ecosystem — and add further momentum to the shift toward tokenization.



Trulioo®

VICKY
BINDRA
CEO

FINANCIAL CRIME IS FORCING A **RETHINK OF** **COMPLIANCE AND RISK**

Over the course of my career in global payments, one lesson has remained constant: trust is easiest to take for granted when systems are working, and hardest to rebuild once they break.



Digital onboarding has reached a similar inflection point, crossing an important threshold and evolving from a verification function into a critical control for managing financial crime across the digital economy.

Looking back on that evolution through the “over/under” lens, some assumptions proved right. Others underestimated the risk created by keeping compliance and fraud in organizational silos.

FINANCIAL CRIME BEGINS BEFORE THE TRANSACTION

Few trends were as predictable as the rise of identity verification from a supporting function to a core requirement of digital transactions. In payments, scale only works when trust is established early, and today even low-risk interactions increasingly require proof of identity.

What also became clear is that identity was never the end goal. Its real value lies in shaping onboarding decisions. After all, financial crime does not start at the transaction. It starts when the wrong actors are allowed through the door.

GETTING THE RIGHT EMPLOYEES, CUSTOMERS, BUSINESSES AND PARTNERS INTO THE SYSTEM BECAME THE FIRST AND MOST EFFECTIVE LINE OF DEFENSE AGAINST DOWNSTREAM RISK.
IN LARGE PAYMENT NETWORKS, THAT UPSTREAM DISCIPLINE IS WHAT PROTECTS VELOCITY WITHOUT SACRIFICING CONTROL.

KYB OUTGREW STATIC ONBOARDING

The same pattern has reshaped business verification. Know your business (KYB) was once about confirming incorporation and ownership at onboarding. Today, risk lives behind the entity in ownership structures, networks of control and behavioral signals that change over time.

As regulators push harder on ultimate beneficial ownership, KYB is moving closer to the individuals behind the corporate veil.

Business identity is no longer static, and verification must persist beyond onboarding and continuously inform risk, just as payment networks have long monitored activity well after an account is approved.

FRAUD SCALED FASTER THAN EXPECTED

Where expectations fell short was the scale and persistence of fraud.

Fraud has evolved less through novel techniques than through scale. Automation and generative artificial intelligence (AI) allow bad actors to repeat simple, familiar tactics at a massive scale, hiding advanced attacks within overwhelming noise.

In payments, this pattern is familiar: when friction drops, abuse finds the gaps. Global fraud losses tied to AI-enabled crime are projected to [reach \\$40 billion](#) in the U.S. by 2027. Many organizations believe they can keep pace with these threats. Far fewer actually can.

The result is not just higher losses, but growing strain on systems never designed to process risk at this scale. Fragmented fraud and compliance teams are left chasing signals in isolation, while attackers exploit the gaps between them.

AGENTIC COMMERCE RAISES THE STAKES

That gap will widen as AI agents move into the flow of money. This shift changes the nature of trust. Once payment networks establish clear models for authorization, intent and liability, software will increasingly act on behalf of consumers and businesses to execute transactions.

Systems designed only for onboarding are not sufficient to deal with this. Managing agent-driven commerce at scale will require identity signals that persist beyond entry, adapt to changing behavior, and integrate directly into real-time risk decisions.

Without that, the same efficiencies that make agentic commerce attractive will amplify fraud just as quickly.

PREPARING FOR 2026

The defining challenge heading into 2026 is efficiency in managing financial crime.

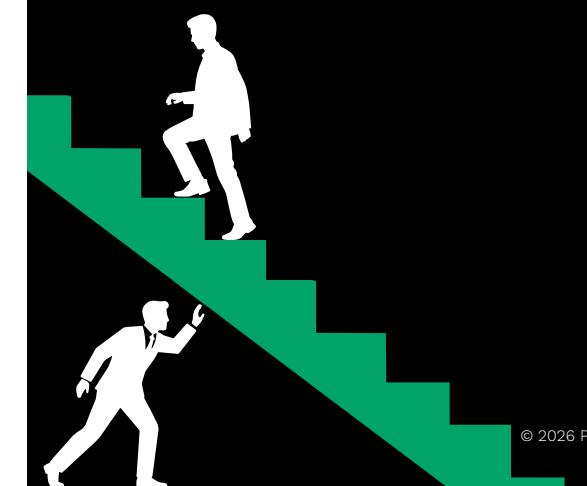
As fraud continues to scale, organizations are discovering that managing onboarding, compliance and fraud as separate functions creates blind spots they can no longer afford.

In response, compliance and fraud functions will increasingly converge into unified financial crime prevention teams, supported by systems that recognize trusted actors instantly, escalate friction only when risk rises and remain explainable under regulatory scrutiny.

For leaders, the question is no longer whether identity, onboarding and fraud belong together, but whether they will align them deliberately — or wait for losses to force the decision.



**The Bets That Paid Off
and the Hits
No One Called**





velera

CHUCK
FAGAN

President and CEO

THE OVER/UNDER: BETTING ON THE FUTURE — AND ADJUSTING IN REAL TIME

The past five years have reminded us that change rarely follows a straight line. Some payments trends unfolded as expected — validating early strategic bets — while others forced rapid pivots and new ways of thinking. For credit unions and the organizations that serve them, this period has been as much about adaptability as long-term execution.



THE OVER: EARLY SIGNALS THAT PAID OFF

By the late 2010s, consumers were moving money through apps as FinTechs began leveraging application programming interfaces (APIs) to weave payments into everyday digital experiences. At Velera, we anticipated this shift toward embedded finance and banking-as-a-service (BaaS) and worked to make it real for credit unions. By rolling out [digital wallets](#), [instant card issuance](#) and [peer-to-peer \(P2P\) payment solutions](#), we helped credit unions meet member expectations for integrated, intuitive payments while keeping the personal touch that defines cooperative finance.

Real-time payments were another expected shift. To meet the growing demand for immediacy, we acquired [Juniper Payments](#) in 2022 and recently introduced [real-time account validation](#) for Velera credit unions, reducing friction between account setup and the first transaction.

THE UNDER: SURPRISES THAT CHANGED THE GAME

Artificial intelligence (AI) proved to be the ultimate game-changer, reshaping decision-making, risk mitigation and member experiences in a matter of months. What surprised us wasn't AI's potential, but the speed at which it moved from experimentation to operational necessity. Velera adapted by integrating AI-driven monitoring into our [Risk Mitigation Ecosystem](#) and other core solutions, accelerating fraud detection and onboarding in ways that once would have taken years.

Cross-border payments also surged more dramatically than expected. The rise of remote work and the gig economy tested long-held assumptions around settlement timelines, foreign exchange and compliance. In response, we began exploring [digital asset solutions](#) and [stablecoins](#) to help credit unions move money quickly and confidently across borders.

Even identity verification proved more complex, as increasingly sophisticated fraud and evolving privacy rules delayed onboarding and frustrated members. We addressed these challenges by launching IDCheck, a real-time authentication tool that combines AI, biometrics and smart-device logic to verify identities, simplifying access while strengthening trust.

LOOKING AHEAD: 2026 AND BEYOND

Across both the over and under, one lesson stood out: flexibility matters more than prediction. Acting on early indicators — from API adoption curves to fraud patterns and regulatory signals — proved more valuable than reacting to market headlines alone.

As we enter the second half of the 2020s, some trends are likely to persist, while others could take unexpected turns. Tokenization will remain foundational to secure digital transactions, and central bank digital currencies (CBDCs) are expected to expand through global pilots. At the same time, technologies such as quantum security and decentralized finance (DeFi) could introduce new risks and transaction models. Regulatory and legal developments — including the Visa/Mastercard settlement — may also reshape card economics in 2026, with implications for interchange and member costs.

For credit unions, the opportunity lies in navigating these shifts while keeping members at the center. At Velera, we focus on delivering faster, safer and more seamless financial experiences by combining foresight, emerging technology and strategic partnerships — helping credit unions not just respond to change, but shape it.

ABOUT

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