DIGITAL TRANSACTIONS®

Trends in the Electronic Exchange of Value

AI: The Eager Intern

From drafting follow-up emails to building smarter quotes, sales agents are putting artificial intelligence tools to work as platforms race to scale them.

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July 2026

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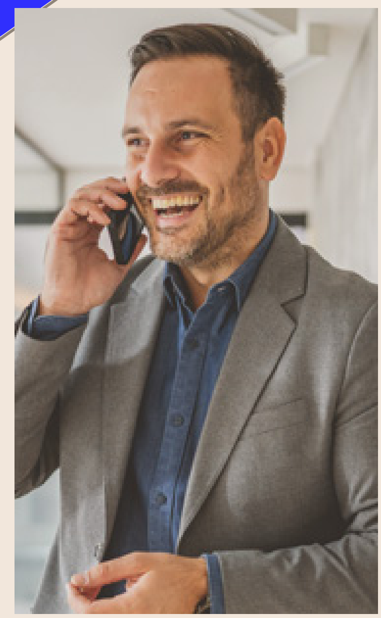

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Digital Transactions (USPS 024-247) is published online monthly by Boland Hill Media LLC, 800 Roosevelt Road, Building B, Suite 212, Glen Ellyn, IL, 60137.

the gimlet eye

MAYBE TRUST ISN'T SO OLD-FASHIONED

DON'T LET ANYBODY tell you that the need—and urgency—for trust has reached its sell-by date. Indeed, recent research has shown trust will likely be crucial for the success of agentic commerce, the hot new thing in payments.

The idea of using AI agents to shop online on the consumer's behalf—something that has gained momentum in the past year—intrigues payments providers and consumers alike, but the full rollout of this technology is going to depend on how much buyers and processors can trust the technology. That's according to recently released survey results.

That need for trust also raises questions about security and transparency in these transactions, the research says, as about two-thirds of the U.S. respondents are looking for security "equal to or better than existing payment methods," according to the results.

"As agentic commerce continues to evolve, secure payments and fraud protection will play a critical role in helping consumers and merchants embrace these new experiences with confidence," says Michaela Weber, senior vice president of product management at Austin, Texas-based Commerce, which sponsored the study along with PayPal. She was quoted in the news release announcing the survey results.

The research canvassed 3,000 consumers in March and April, 1,000 of whom were in the United States, with another 1,000 each in the United Kingdom and Australia. Just to avoid confusion, keep in mind Commerce is the parent company of BigCommerce, a technology provider for e-commerce businesses.

With agentic commerce, online consumers designate computer code to shop and pay on their behalf. The technology intrigues businesses and consumers alike but has naturally raised questions about the potential for unauthorized payments and other forms of fraud. Understandably, consumer standards are high. Among the U.S. respondents, some 82% indicated the technology should "offer payment security that is equal to or better than existing payment methods."

But the U.S. consumers showed the most enthusiasm for agentic commerce. Some two-thirds indicated they were interested in trying it, barely edging out the U.K. (64%) and Australia (63%).

But the research also indicates tight consumer control will be key to widespread adoption, as consumers in all three markets "consistently" made clear their need to have visibility, and ultimately control, in deciding whether to make a purchase. That should surprise no one.

But why this research, and why now? Consumers are gradually growing more aware and, in some cases, more comfortable with using AI agents in commerce. Some 39% of U.S. consumers were using AI last summer for product discovery, according to Salesforce, while Bain research indicates agents will handle as much as one-quarter of total U.S. e-commerce spending by 2030.

That betokens plenty of trust. For now.

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JULY 2026 • VOL. 23, NO. 4

DIGITAL TRANSACTIONS
Trends in the Electronic Exchange of Value

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AI STARS IN SHOPIFY'S LATEST POS PLATFORM UPDATE

Shopify Inc.'s latest update to its point-of-sale and e-commerce platform makes artificial intelligence commerce uses central, enabling its merchants to more easily adopt agentic commerce as a channel.

The Spring platform update, which includes more than 150 revisions, adds support for sign in with Shop, its consumer-facing app and marketplace, via the new Catalog API to Shopify Catalog, helping them see personalized results. Shopify Catalog is the global database of eligible products sold by stores on Shopify. Developers also will be able to use the new Catalog API to build services like image search and add more product attributes.

Shopify also made it easier for developers to adopt the Universal Commerce Protocol, an agentic-commerce technology co-developed with Google, and Catalog to create new shopping experiences. The Ottawa, Ontario-based company also made it easier for merchants to manage their AI channels in a single place in the admin panel of the app.

Other elements include extending Shop Pay, its digital wallet, to sites not on the Shopify platform, making enterprise-level tools available to all merchants and simplifying global selling. Shop Pay processed $35 billion in gross merchandise volume in the first quarter, up 59% year-over-year.

"We are enabling our merchants to sell everywhere," Rohit Mishra, Shopify vice president of product, tells *Digital Transactions*. That used to mean as an omnichannel seller, he says. "In this day and age, it's about how our merchants can expand their businesses and sell on every surface." In 2021, it extended Shop Pay to non-Shopify merchants selling on Facebook, Instagram, and Google.

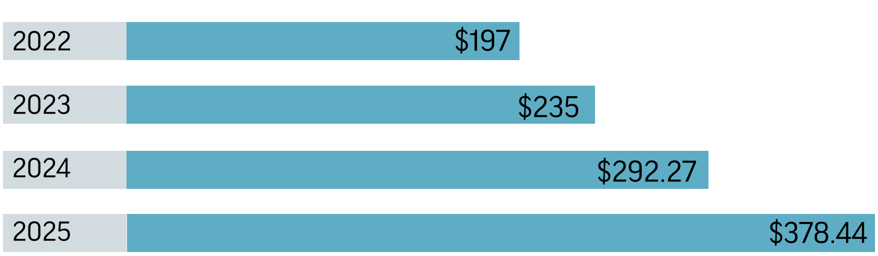
The Catalog API and UCP capabilities will help Shopify merchants get ready for the expected upsurge in agentic commerce, Mishra says. Merchants can click a button and make their whole catalog available, he says.

In addition to meeting consumers in emerging AI sales channels, Shopify also wants to make it easier for them to use its services in more established ones. That's part of the rationale for making Shop Pay, its digital wallet and assistant, more easily available to merchants of all sizes not on the Shopify platform.

"Shop Pay has been our bread and butter of how we delivered great conversion [rates] for merchants on our platform," Mishra says, adding that its use continues

SHOPIFY ON THE RISE

(Gross merchandise volume by year, in billions)



Source: Marketplace Pulse

to grow. Expanding its availability to non-Shopify merchants is especially helpful to enterprise-level ones who may not be able to easily shift their e-commerce operations.

Prior to this update, merchants not on the Shopify platform could add Shop Pay to their checkout flows, but that required contacting the platform's sales department and following a more complex integration path. "There was a lot more work involved in getting started," Mishra says. "Now, this works just like anything you expect on Shopify."

On the global front, Shopify will use its data network to automatically bring local payment methods to the attention of merchants that sell internationally. "Merchants are not experts on what [payment] methods they should be offering," Mishra says. Because of the scale of Shopify's data—it says "millions" of merchants in 175 countries use its services—it can enable merchants to create localized storefronts, he says, something it has done for a while.

Working with Global-e, a cross-border payments specialist, it can offer adaptative international pricing that includes currency-conversion fees. Now, Shopify can provide pricing that includes all fees, taxes, and tariffs and help these merchants generate the same revenue as they would on a domestic order. Instead of an international shopper seeing multiple fees, they see one price. Mishra says Shopify is using its data in this context to help determine the selling price and how it should be presented in each market.

—Kevin Woodward

A SETTLEMENT THAT DOESN'T SETTLE THE ARGUMENT

Payments executives who may be hoping that a court ruling last month will put an end to years of bitter wrangling over card-acceptance costs are likely to be disappointed, experts tell *Digital Transactions News*.

"This does not end the argument. It just stifles it," says Cliff Gray, principal at Gray Consulting Ventures, a Chicago-based payments advisory. Adds Aaron McPherson, principal at AFM Consulting LLC: "While certainly significant, the settlement by no means ends the argument."

These opinions come as a federal court in Brooklyn ruled in June that a settlement reached between banks and merchants in a hotly contested, 21-year-old class-action case is "fair, reasonable, and adequate." The court's approval, however, is preliminary, leaving merchants hopeful and banks and processors wary. The settlement projects merchants would save $38 billion in acceptance costs over five years.

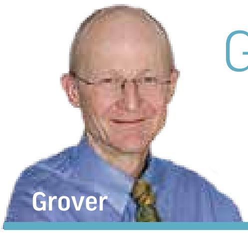
Merchants have for decades fought interchange, the cost they pay to payments acquirers and processors on each card transaction they accept. That battle has left scars, observers say.

"While the settlement grants merchants modest economic relief and additional tools to pressure the networks, and allows Mastercard and Visa to eliminate a massive, existential legal risk, nobody should expect the mega-retailers to go quietly," says Eric Grover, principal at the consultancy Intrepid Ventures.

Indeed, merchants disappointed by the outcome of the case are looking for the court to deny final approval of the settlement. "The vast majority of merchants oppose this proposed settlement," says Doug Kantor, general counsel at the National Association of Convenience Stores, in a statement. "We expect many more objections to be filed that will present the court with clear evidence of the profound problems with this settlement that would make the already broken credit card market even worse."

"We are hopeful that the judge will refuse to grant final approval, and that merchants will have their day in court," Kantor adds.

Some observers argue the merchants may have a case, given how long the dispute has already lingered in and out of court. "Ten basis points [on interchange] is not


Grover

Grover: "Nobody should expect the mega-retailers to go quietly."

much of a concession, given interchange pricing, especially given all the advances in the … years since this suit was initiated," says Gray.

That could lead to further litigation that could extend the case at least another two years, some experts say. "I would assume if Judge Cogan grants final approval, which is more likely than not, that major merchants will appeal it, potentially pushing the ultimate resolution out into 2028," notes Grover.

For now, some observers are calculating the possible consequences if the current resolution stands. One scenario, argues McPherson, is that consumers could "face discrimination based on their choice of card, and with it the loss of their rewards, plus ever-expanding surcharges, all for the speculative benefit of lower prices in the future."

Meanwhile, he points out, "Federal legislation restricting credit card interchange is still under consideration."

—John Stewart

HOW CARDS ARE LEVERAGING NICHE PAYMENTS OPPORTUNITIES

Card programs for specialized payments often get lost in the shuffle, but a pair of developments this summer indicate the market for card-driven payments remains vibrant in the age of cardless digital transactions. This is especially the case lately with respect to markets like dealerships and housing.

Brex LLC, a corporate card and spend-management platform, said its services have been integrated with Tekion, a provider of cloud technology for more than 3,000 automobile dealers, to create Brex for Tekion Spend. At the same time, mobile-payments technology provider Blytz announced an integration with Rent Manager, software for property managers, in an effort to ease payments for tenants.

The news from Brex, a unit of Capital One, arrives at a time when payments providers are finding a vibrant market by joining forces with the technology-platform providers that serve automobile dealerships.

By working with Tekion, Brex says it is the first corporate card provider tackling what it says is the "operational complexity" inherent in car dealership groups. This specialized market is awash in paper, Brex says, with dealerships writing more than 100,000 checks yearly at a cost of $5 each.

The partnership with Tekion, Brex says, combines Brex's corporate card operation with Tekion to enable such functions as real-time reconciliation and instant issuance of Brex cards. One key to this operation lies in the reliance on existing dealership-management technology, the parties say,

"Brex Embedded exists to bring … financial infrastructure to companies and customers inside the platforms they already depend on," says Art Levy, Brex's chief business officer, in a statement. Brex says a broad rollout for Brex for Tekion Spend is planned to occur throughout Tekion's dealership system this year.

Brex's move into car dealerships comes as the market has been embracing more advanced financial technology for operations, including payments. Update Promise in February agreed to integrate PayPal and Venmo in the normal service workflow at dealerships, while DealerPay in January launched a capability for dealers to

MONTHLY MERCHANT METRIC

Chargebacks Transactions %

This is sourced from The Strawhecker Group's merchant datawarehouse of over 4M merchants in the U.S. market. The ability to understand this data is important as SMB merchants and the payments providers that serve them are key drivers of the economy.

All data is for SMB Households defined as households with **less than $5M in annual card volume.** For all industries including Higher Risk.

Metric Definitions: (Only use definitions related to an individual month's release)

Chargebacks Transactions % of Transactions - Chargeback number divided by bankcard + OptBlue transactions

Date	Total Gross Processing Revenue %
Q1'25	0.034%
Q2'25	0.034%
Q3'25	0.040%
Q4'25	0.039%
Q1'26	0.038%

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to collect payments via text messaging or email.

And in October, Priority Technology Holdings announced an aggressive expansion into automotive servicing with its acquisition of DMSJV LLC, a payments provider whose services include surcharging to help dealers recover transaction costs.

Similar partnerships are forming in other markets, including apartment management to collect rent, as illustrated by the announcement in June that Blytz, a payments and collections company, has integrated with Rent Manager, a provider of property-management software.

The combination is expected to lean on Blytz's mobile-payment capabilities to enable more and earlier rent payments while easing the burdens falling on back-office workers, the companies say. "We believe getting paid should be as simple as sending a text message," said Robyn Burkinshaw, founder and chief executive of Blytz, in a statement.

—John Stewart

CAN SPLITTING RENT PAYMENTS HELP ON-TIME PAYMENT RATES?

Rent, the 12-times-a-year installment payment many consumers make, could benefit from splitting further into two payments a month, suggests a study released by Flexible Finance Inc., also known as Flex.

New York City-based Flex commissioned the study, which was completed by San Francisco-based research firm MetroSight. Flex enables tenants to split their rent payments—averaging $1,645 monthly according to Apartments.com—within the month. Researchers found that—after analyzing 488 multifamily rental properties containing approximately 75,000 units in 25 states, of which 134 properties offered Flex—on-time rent payments were higher by 3% than those not offering Flex.

Their analysis also found that the short-term late rent te was lower. The share of rents up to 30 days late was approximately 2.5 percentage points lower.

Flex says the analysis points to the issue of timing for many renters. "Most renters owe rent in full on the

Will split rent payments become standard for apartment rent?

first of the month, while most workers are paid every two weeks or twice a month. That structural mismatch, the authors argue, is an overlooked driver of late rent that is distinct from affordability: a household can have the money over the course of a month yet still come up short on the day rent is due," Flex says.

Flex's split-rent payments start with a tenant application. Flex pulls a soft credit check to establish a line of credit. If that's approved, Flex shows the applicant how to split the rent and associated fees. A second payment date is selected that works with the applicant's paycheck schedule. Flex pays the full amount of rent on the first of each month on the user's behalf. The user then pays Flex. Debit card payments carry a 1% fee and credit cards a 3.5% levy. Flex charges a $14.99 monthly membership fee to access the Flex Rent line of credit.

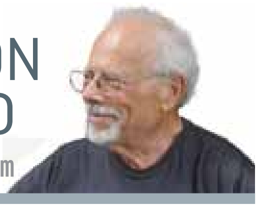
"The mechanism of flexible rent payments often is overlooked in housing-policy discussions. While affordability remains a central challenge, the timing of rent payments relative to income plays its own critical role in undermining housing stability. The study suggests that interventions helping renters align cash flow with financial obligations can also help prevent short-term payment difficulties and consequent housing disruptions, even with no change in the cost of rent," the report authors say.

Flex is not the only split-payment option for rent payments. Esusu Inc., a rent-payment platform, is testing split rent payments via buy now, pay later provider Affirm Holdings Inc. And Yardi Systems Inc., which develops property-management software, completed an integration with Flex in 2024.

—Kevin Woodward

TETHERED MONEY'S AI UPGRADE

BY
GIDEON SAMID
gideon@bitmint.com



MORE THAN 10 YEARS ago I published a book entitled "Tethered Money," describing how digital money may be tethered to a prescribed use, giving the payor control over the money after payment took place. This purpose-fitting assurance, the book argued, would give donors, grant givers, and other supporters of various causes a greater incentive to put money toward the prescribed use, knowing their money would not be routed in offensive ways.

While the proposed term "tethered money" was not widely adopted, the idea of a cryptographic tie-in between paid money and its disposition has been implemented with many digital coins.

Now, with the advent of artificial intelligence, or AI, tethering is ready for an upgrade, replacing rigid tethering with situational tethering. AI is built to serve a purpose set out by the payor. It decides for each planned use whether the attempted payment is consistent with the wishes of the source of the money. Permissions are dynamic, allowing funds to be even more impactful upon their declared purpose or use.

Soon enough we will all wear on our wrist, like a watch, our personal AI companion. This gadget will be learning who we are and helping us out in our daily business. Expect great efficiencies as you are accompanied by a diligent personal secretary that knows all your proclivities and is aware of your habits and preferences. Our children will wonder how we managed without it.

In turn, all this intimate knowledge will be used to curb a tethered-money holder and fence him in. Pre-AI tethered money limited its holder to spending it in, say, a grocery store, buying there without limitation. AI tethered money will be mindful of its owner's digestive disorder and prevent the owner from buying food that irritates his condition.

For the payors of AI tethered money, this new technology will be a great advantage, providing assurance that their generous contribution is not being abused. But for the beneficiary, this AI oversight would likely feel as if it were denying basic freedom, leading to bitter resentment.

In a curious way, this could be a good thing. AI-tethered money would ensure people don't starve and get basic health care, clothing, and a roof over their heads. They would lose the freedom to decide how to spend the money, but they can reclaim it by simply plunging into the market as active players, earning their wages. Money paid for services rendered or merchandise provided is totally and conclusively untethered. Its holders can do what they wish, however unbecoming that may be to others or to society at large.

The servitude associated with tethered money will become a powerful incentive to earn money the old-fashioned way. It might, after all, become the much sought after compromise between socialism, focused on supporting the poor, and capitalism, insisting on payment for payment's worth. Tethered money will do the job of keeping the bottom of the pyramid afloat, while maintaining a strong incentive to join in to the engine of growth.

Too many NGOs today have been found cheating. AI-tethered money will prevent much of that. The technology will also work as an automated supervisor for contractors or grant recipients. Applied to innovation grants, the AI will analyze the results of the ongoing project and decide where the research is going according to the policy of the source of the grant.

AI and money are powerful social concepts on their own, but when combined they go through the roof! More details are in my revised title "AI Tethered Money" now being written (at late night hours, because in my day job I build the AI per se). DT maverick

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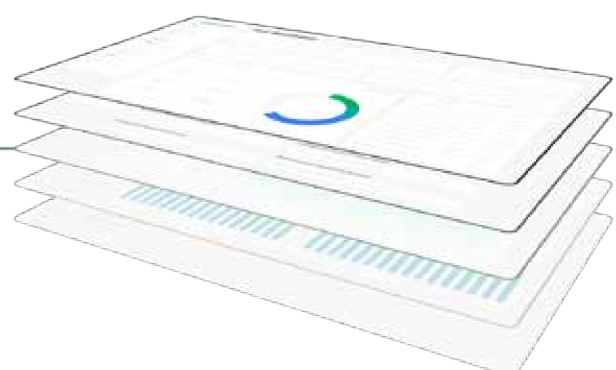

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IN PAYMENTS, CONTEXT IS CRUCIAL

BY BEN JACKSON
bjackson@pa.org

WHOSE JOB IS it to protect consumers from themselves?

We can all agree that there should be laws against fraud, deceptive advertising, and racial discrimination. But what about when consumers make a choice that doesn't seem to be in their best interest?

The real question is, "best interest" according to whom?

Some instances are easy to judge. If the police find a senior citizen feeding thousands of dollars of cash into a crypto ATM, there is a strong case to be made for intervention. (Unfortunately, even in clear-cut cases, often no law exists that gives the police, banks, or anyone else authority to stop how people spend their money.)

Other cases are harder to judge. Why would someone choose to use a gas station with higher prices? Why would someone take cash from an out-of-network ATM? Or, to use a classic example, why would someone choose a prepaid card, with a monthly fee, instead of a free checking account?

The answer, of course, is context. People might choose a gas station with a higher price because it is in a location that is easy to get in and out of, and saving time is more important. They might choose an out-of-network ATM because they really want to go to the cash-only pizza place around the corner.

They might choose a prepaid card with a monthly fee over a "free" checking account because they don't risk overdraft fees. The prepaid card might offer a better free ATM network or the ability to make after-hour deposits at retail locations.

The same discussions that swirled around prepaid cards are happening again with products like Earned Wage Access. So-called consumer advocates attack EWA products as payday loans, not recognizing that hourly workers might not have the same income, wage stability, and access to credit as lawyers employed by nonprofits. People facing emergencies or even just a mismatch between bill-due dates and paydays without the benefit of credit cards, home equity, and large savings accounts often need access to funds before they get their paychecks.

The reality is that financial-services decisions rarely are made based on a single variable. Larger contexts exist for almost every financial decision in people's lives. The Financial Health Network has demonstrated this with its FinX workshops at its conferences that ask attendees to step into the shoes of an unbanked person and complete tasks like cashing checks, buying money orders, and buying groceries.

Participants have expressed surprise about the kinds of choices they need to make when they lack resources that many middle-class people take for granted, like reliable transportation. But the reality that comes up consistently in participants' accounts is the mosaic of factors, like time and availability, regarding product choice.

This all points to an answer to our overarching question. Who is responsible for protecting consumers from themselves?

The answer is often not the government, law enforcement, or the courts. Instead, it is the person who best understands the context in which a decision must be made. That might be a trusted third party, or it might be the decision makers themselves.

The implication for regulators is that they should be careful before writing rules that would cut off access to entire classes of products. They should examine the circumstances that give rise to and promote the use of products.

The business opportunity for providers lies in listening to their customers and markets for opportunities to change the context of financial decisions. They can do this by offering new products, new channels, or even better ways to save. The key is thinking beyond products to the big picture customers face. DT

SCALING DIGITAL CAPABILITIES FOR INSTANT PAYMENTS

Financial institutions must act fast to keep pace with rapidly growing customer demand for real-time payments.

BY SAYANTAN CHAKRABORTY

Sayantan Chakraborty is head of digital payments at Fiserv.

U.S. CONSUMERS AND businesses want to send and receive money in seconds, not hours and days. That's no longer a hypothesis. It's borne out in the figures.

In the fourth quarter of 2025, transaction volumes on The Clearing House Payments Co.'s Real-Time Payments (RTP) network increased by 8.7% quarter-on-quarter (QoQ), comprising $405 billion in value across 125 million transactions. And, while payment value on the Federal Reserve's FedNow network decreased in the same period by 18.06%% QoQ, its growth across 2025 came in at 2,134%.

Photo: 123RF/elnur

The importance of real-time payments—as one of the key components of modern digital banking strategy—has been cemented and will only keep growing from here.

The payments landscape is far from a static picture. To stay abreast of the evolving demands of consumers and small businesses, financial institutions must re-assess their capabilities and develop strategies that capitalize on the many use cases of instant payments.

OVERCOMING HURDLES

Consumers and small businesses are increasingly using person-to-person (P2P) and account-to-account (A2A) payment options that are both simple and instant. Small businesses, especially, see instant payments as a means to bridge gaps in traditional banking, as they seek to achieve faster liquidity and payment reconciliations.

According to new research, almost three quarters (73%) of microbusinesses say real-time payments improve their cash flow. This represents an 18% increase in just seven months. To ensure competitive advantage in this space, financial institutions must be able to extend these capabilities to all end users.

The challenge, however, is updating legacy infrastructures to enable cutting-edge services. Alongside the architecture, incumbent banks must address interoperability issues, fraud concerns, and liquidity availability.

In spite of the speedbumps, instant payment options are being scaled rapidly. RTP in June 2025, and FedNow in September that year, raised their transaction limits from $1 million to $10 million. By October, RTP had beaten its 24-hour record, achieving 1.8 million transactions in a single day. This signals that average ticket sizes are rising, with financial institutions having confidence that these high-dollar transactions will be processed instantly.

That same month, PNC Bank announced its intention to connect to FedNow, and Capital One followed suit in November. Improved holistic reach—and Federal Emergency Management Agency (FEMA) payments, which now use the FedNow network—were given as contributing factors. The inclusion of the FedNow service into the Treasury Department's Digital Payout program has helped drive access to instant payments.

While the rapid growth in FedNow and RTP underscores a shift in end-user needs, few FIs are truly innovating in this space. Approximately 58% of U.S. FIs that offer instant payments now use both the RTP network and FedNow, a dual-rail strategy for enhanced speed, reach, and resilience. As FIs continue to develop their instant payments roadmaps for the year ahead, connecting to FedNow and RTP, for both sending and receiving payments, is a pivotal step.

The organizations leading the industry in payments maturity, however, are funneling resources away from establishing end-to-end digital-payments capabilities and toward innovating new and emerging capabilities. Developing new use cases is the prerequisite for staying at the forefront of this rapidly evolving market.

INNOVATING USE CASES

Demand for faster payments from both consumers and small businesses is ubiquitous, and the number of use cases is only rising. Emerging opportunities include instant Pay by Bank and stablecoin-based cross-border payments.

Real-time government disbursements are no longer future concepts, and requests for payment and tokenized identities are spreading from pilots to production. Trailblazing FIs are already investing in these innovations. Digital roadmaps are being designed that prioritize these trends and secure a future advantage in the space.

So, which use cases are table stakes for FIs, and where should investment be directed to catch up?

The applications of real-time payments most in demand today include account-to-account, wallet top-ups and bill payments, and commerce. For many consumers, avoiding late payment fees and making external transfers on time are critical. While these solutions have historically been supported by automated clearing house (ACH) payments, FIs must now also offer instant options to meet the changing needs of end users.

E-commerce and business-to-business (B2B) payments are also being transformed, thanks to faster checkouts and payment reconciliations. For small businesses, instant payments are particularly vital—supporting cash flow, liquidity management and, in turn, business satisfaction.

Meanwhile, utilities and telecommunications companies are incorporating instant settlement into their invoicing as part of their request for payment (RFP) messages. This offers a modern alternative to invoices, providing details like value, due date, and purpose, while enabling the payer to approve, partially pay, or decline the request instantly.

Other high-growth use cases include payouts and disbursements. In October 2025, the U.S. Treasury's Bureau of the Fiscal Service added the FedNow service to its Digital Payout program. Instant payment capabilities expanded to at least nine federal agencies, with FEMA the most recent to be added to the lineup.

This move will transform disaster relief disbursements, federal benefits and assistance programs, employee reimbursements, and even, as the ecosystem grows, payroll, loans, insurance settlements, and marketplace payouts. And, as more agencies start to use instant rails, consumer expectations for all critical disbursements will reset to "now."

BEYOND TABLE STAKES

Instant payouts also have huge potential in the gig economy. Many of the workers in this space regard instant payouts as an employee benefit—enabling access to income as it is earned to cover bills, rent, or loan repayments. Bonuses, commissions, and other incentives can also be delivered through real-time payments.

These examples are not exhaustive. Numerous applications are to be found in cross-border activity, car sales, consumer loans, and corporate credit cards, as well as other financial services, such as insurance, wealth, and digital wallets. The trick for FIs is to identify a partner that can extend the critical infrastructure needed to roll out these capabilities with ease.

Instant payments should no longer be seen as an interesting experiment. They are the foundation of an evolving, modern, and digital payments landscape. By prioritizing robust instant payment offerings and building out the use cases, FIs can meet the growing, real-time, customer demands that guide today's digital ecosystem. DT

Chakraborty: "Instant payments ... are the foundation of an evolving, modern, and digital payments landscape."

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CHOOSING THE RIGHT ADVISOR IN AN AGE OF RELENTLESS CHANGE

The payments industry's rapidly increasing complexity means managers can't afford to hire the wrong consultants. Here are some guidelines to get better results.

BY DINA VARDOUNIOTIS

Dina Vardouniotis is founder and chief executive of the consultancy Payments+Partnerships

THE CONSULTING INDUSTRY is being reshaped by multiple forces clients feel every day. These include AI's growing role as a productivity multiplier, the cumulative weight of non-stop transformation and the growing complexity of running a business amidst ongoing change.

We're seeing AI democratizing information and raising expectations for speed, but it can also intensify the work itself. It lowers the cost of producing analysis and drafts, then raises the volume of decisions that leaders are expected to make, the pace at which teams are expected to execute, and the pressure to keep multiple initiatives moving at once.

Photo: 123RF/jd8

That is colliding with a reality payments executives live in every day. Transformation is no longer one program with a start and end date. It's a stack of modernization efforts running in parallel, each with its own risks, dependencies and stakeholder demands. Leaders are forced to make trade-offs between what is urgent and what is truly important, while still operating the business. When capacity is tight, the wrong advisor becomes another source of drag.

Leaders need advisors who have lived in-seat experience to anticipate the impacts and translate any ambiguity into clear actions teams can execute. They also need a different relationship model or a "thinking partner." This doesn't mean a vendor with a deck. It's an advisor who shares ownership of the agenda, reduces overall risk, and helps leaders move with confidence.

As payments companies evaluate advisory options, the selection question becomes more practical and more urgent: will this partner reduce ambiguity, accelerate decisions, and measurably reduce risk while leaving the team stronger?

A HIGHER BAR

As with most industries, AI is accelerating a shift already underway in the payments industry. The traditional consulting value proposition relied heavily on access to specialized knowledge and the labor required to package it. Clients now have tools that can produce baseline research and drafts quickly, which means they're rightfully changing what they ask for and what they are willing to fund.

In an IBM Institute for Business Value study, 75% of executives said they expect AI to have a positive impact on their use of consulting, and they expect consultants to deliver greater value with AI in the mix. If AI makes portions of the work faster, clients will expect advisory engagements to be tighter, more outcome-driven, and easier to translate into action. Clients are demanding clarity with actionable outcomes to accelerate what needs to get done.

Leaders are then caught between the speed of new technologies becoming available and the capacity to absorb change, which raises the stakes for selecting the right advisor.

So what should payments leaders look for when many firms claim similar expertise?

A practical way to evaluate advisory partners is to insist on "output for value." The idea is straightforward: Tie what the advisor will produce to the value the business expects.

Outputs should be tangible and time-bound. They can be decision documents, operating models, implementation plans, governance structures, or execution-ready roadmaps. Value should also be explicit. It can be faster cycle times, reduced risk, clearer priorities, improved performance, or fewer stalled initiatives. The point is not to force every engagement into a single metric, but to make the work visible and accountable.

This approach also protects internal capacity. Transformation fatigue makes long discovery cycles expensive. Strong advisors shorten time-to-impact and show progress early, which builds confidence and reduces rework.

A simple test works well in the first meeting. Ask what the advisor will deliver in the first two to three weeks and how each output links to business value. If the answer is vague, the engagement will likely become heavier than it needs to be.

THREE CAPABILITIES

Once outputs are clear, three capabilities matter most. Together, they separate helpful payments partners from well-credentialed teams that struggle to drive outcomes:

1. Fast plug-in with minimal orientation: The best advisors reduce the burden on internal teams. They arrive with a disciplined intake approach, ask focused questions, and quickly synthesize what they hear into a small set of decision points. They don't turn discovery into a project of its own. They deliver early artifacts that help leaders decide and move. A practical signal is what they request from the business in week one. If their plan depends on a long list of meetings and documents without near-term outputs, the client is funding overhead before receiving value.

2. Comfort bringing in third-party expertise: A strong partner doesn't try to be everything, especially as some initiatives span product, operations, risk, compliance, and data teams. They admit where their expertise is not the deepest and bring in the right specialist when the work requires it. This reduces delays and prevents a common failure: forcing a complex problem through a single lens because the advisor's bench is fixed.

3. Commitment to "up-knowledging" the client team: The costliest engagements create dependency. The advisor leaves and the internal team cannot sustain progress because context and capability never transferred. Up-knowledging solves this. It means delivering outputs while building internal fluency so the organization can carry the work forward. This matters because transformation often stalls at adoption. The same Gartner study on change adoption highlights how difficult it is to drive sustainable behavior change at scale, but advisors who transfer capability can reduce that risk.

Selecting well is only half the job. Leaders also need to structure engagements so these expectations are operational, not aspirational.

Start by writing a scope of work that includes early outputs, clear milestones, and a mechanism to adjust course. Monitor for signals of misalignment early, including unclear deliverables, slow ramp-up, or repeated requests for the same information. When those signals appear, reset quickly by re-anchoring on value, narrowing outputs and adjusting the team mix or specialist support.

This approach keeps the engagement lightweight and focused. It also prevents the client from doing hidden labor to rescue the work midstream.

WHERE LOYALTY COMES FROM

Clients don't stay loyal to advisors who deliver information clients can access elsewhere. They stay loyal to partners who reduce decision drag, clarify priorities and help teams move through change without adding friction.

Even though executives expect AI to change how consulting is delivered and raise expectations for value, business leaders can respond by demanding advisors who are operator-led, output-driven, collaborative in how they source expertise, and intentional about transferring capability.

When advisory work is built around outputs tied to value, it becomes easier to manage, easier to defend internally, and more likely to produce results that hold after the engagement ends. In an age of relentless change, that is the standard worth paying for. DT


Vardouniotis

Vardouniotis: "Leaders need advisors who have lived in-seat experience to anticipate the impacts and translate any ambiguity into clear actions."

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AI: The Eager Intern

From drafting follow-up emails to building smarter quotes, sales agents are putting artificial intelligence tools to work as platforms race to scale them.

BY KEVIN WOODWARD

Artificial intelligence may be about to usher in a new level of sophistication and ease for payments sales agents. As payments platforms wrestle with how to fuse AI services into their products, services, and operational programs, sales agents are putting advanced machine-learning services to work to make their jobs easier and quicker.

It's the virtual aide that suggests an edit in a follow-up note to a prospect. It can analyze a sales-call transcript, highlight key details, and log the call into a customer-relationship management app. It can research a merchant and reveal details that might be missed otherwise. All in all, AI engines can be the "eager intern."

Across the payments industry, AI is showing up as less a sweeping disruption and as more a quiet assistant, at least for sales agents. It's being tasked with drafting emails, cleaning up human-written messages, and mining data and distilling what the data point to.

Some concrete tasks AI can do is prep for a call, plan the day's appointments, and provide a post-call recap, says Michael Wright, founder and chief executive at Twill, a Los Angeles-based provider of AI services for payments companies. Another AI assignment might be to monitor chargeback rates among merchants, says Jonathan Razi, founder and chief executive at Findustry AI Inc. At Four Mangos, a systems-integration consulting agency, principal Neil Fennessey says incorporating AI could reduce the time it takes to create an invoice from four hours to 30 minutes.

One common assignment for AI is to record a sales call, produce a transcript, and draft a follow-up message based on the sales agent's own knowledge of point-of-sale systems, processors, and invoicing options.

To do that, Wright suggests starting with creating a "skill" for the AI engine. He advises teaching the engine—most of this is based on Claude from Anthropic PBC—the user's preferred way of accomplishing a task.

His example is preparing for a call with an existing merchant contact. The manual method might entail a search for recent emails from the contact and a list of the important elements to ask about, then a review of past meetings for any additional information, followed by research in the latest developments the client might have. Then there's a Web search for the latest news and updates before trying to distill all of this information into a succinct one-pager to reference during the call.

All of that can be done with an AI engine that has access to other apps, such as customer-relationship management and call-transcription services, but it might be a mouthful to enter.

Instead of typing "Search my Gmail for Chris, read the recent threads, pull what's open, look up him and Acme Payments in Apollo, check our last meeting, then write me a tight brief" each time, the skill, using just "I need to talk to Chris today, help me prep," could accomplish the same results, once a skill has been made, in approximately 30 seconds versus 90 minutes or more.

"AI can go in there and do it, and it's got all this reference of how you write, what you like, what you don't, what your solutions are," Wright tells *Digital Transactions*. Creating a skill in Claude could be as easy as using the "Create a skill for [task]" prompt and responding to the questions posed. A manual method requires creating a directory within Claude and being comfortable with some coding.

Clever Claude

The Claude integration, for example, makes diving into the knowledge base that much quicker and easier. An agent at an independent sales organization might now have AI access to three different invoicing products, five POS products, and four different processors, Wright says, with all of that information about them available.

"I don't have to go in there and search and say, 'Hey, what's best for this merchant?'" he says. "I just have to ask the right questions on the call and then the AI can say, 'OK, this one's probably the best for these reasons.'"

Then, the AI can draft a follow-up email and create a to-do list for the agent to check off in pursuit of a deal.

"It's like an assistant. It's pushing you towards getting that deal done and doing all that back-end stuff that no one likes doing, to be honest," Wright says.

Another example: asking AI to generate 50 leads. In an example of this from Wright, he lists having AI look in the CRM app for deals won, then asking it to search Reddit, X, and LinkedIn for issues that hurt that merchant type. Then AI can generate a matching lead list from sales-platform Apollo and match each pain point to a service or product in the knowledge base. It can then draft emails and LinkedIn messages or load a campaign into Apollo for distribution.

Fennessey sees similar opportunities to reduce the workload for many procedures. Producing an estimate for an integration project—which could involve installing payments equipment, servers, software, and training—could take half a day. "AI takes what could be four to five hours to build an estimate and brings it down to a half hour," Fennessey tells *Digital Transactions*. "AI helps us find [items] we may have forgotten."

Fennessey has a Claude integration via an application programming interface code for Four Mango that keeps proprietary and personal information local and unshared with the greater Claude engine. "It's really about streamlining the processes," Fennessey says, because it's faster to turnaround documentation. He's adapted Claude to build out his estimates and help with schedules.

AI can help sales agents beyond what they can do themselves. Findustry AI, which debuted in June, is starting with chargebacks because they continue to evolve as a problem area for merchants and acquirers. Too many of them, or not addressing the rate of chargebacks in a timely manner, could potentially jeopardize the ability to accept and process payment card transactions. Razi anticipates adding other AI-enabled services.

Scaling Autonomy

Purpose-built for chargebacks, the Chargeback Agent service from Findustry AI equalizes the ability of merchants to manage their chargebacks.

On the merchant side, large merchants often have teams of employees managing disputes, but smaller ones do not, Razi says. Chargeback Agent is for merchants of all sizes, he says, but may benefit smaller ones the most. "Often they are not even responding to disputes by deadline," Razi says. Small businesses are drawn in multiple directions daily, and payments is just one piece of their oversight duties.

Once a merchant is alerted to a new dispute, staff enter the Findustry AI portal, which can be built into an acquirer's portal, and view it. Chargeback Agent collects the evidence from the merchant, and, because the AI service has been trained on the card-network dispute rules, it knows the specific evidence to collect for each reason code, eliminating the manual-review step. Findustry AI uses APIs, a programming code to enable disparate platforms to exchange data, to supply transaction data to Chargeback Agent.

From there, the agent drafts a response letter using text that has been proven to produce favorable outcomes. Merchants can review, edit, or approve the response with one click. Submitting the response is the third step. Findustry AI says every human edit to all the responses is fed back into the AI engine so it can learn.

Merchants can customize how much autonomy they want to give Chargeback Agent, Razi says. For example, a merchant can designate Chargeback Agent to handle all elements of disputes of less than $300, but require a human review for those of higher value. Findustry AI products are available through payment facilitators and ISOs.

Fennessey: "AI will streamline what you do but not do everything for you."

Razi: "Often [smaller merchants] are not even responding to disputes by deadline."

'A Little Doughy'

The proliferation of easy-to-access AI engines is changing the equation for workflows and how they are conducted. It's also creating some issues about how much to share with them and how reliable their results may be.

Wright cautions to avoid becoming so enamored of what an AI engine can do that you think it can do everything. A user might begin to let it think for them and do it all, he says. "You have to resist that urge," Wright says. He lets Claude frame an email, but Claude doesn't write them. That helps keep the message personal. Whereas a wholly AI-generated message may be off-putting to many recipients, he says. "You get this feeling it's not real. It's not human." Plus, someone simply has to copy the message's contents into an AI service and ask it to check if it was AI generated.

Because greater AI use is so new and the models that form the foundation for them are evolving, Fennessey advises a cautious approach. "From a realistic standpoint, AI will streamline what you do, but not be able to do everything for you," he says. His advice? Treat AI today as beta, early steps. "Your participation in this is an advanced beta. It's still a little doughy."

Regardless of how well formed an AI service may be and how adaptable it could be for a sales agent and payments companies, its true merit will be seen in whether it actually close sales or saves money.

Measuring AI use against sales performance is a critical evaluation point, Wright says. "Because sometimes you use all these tools and you think you're being more efficient, but [are they] actually producing results?" he asks.

One way to help ensure melding AI into the workflow pays off as much as possible is to be very clear and specific about the goals for doing this, Wright says. Improving the merchant vetting process is different from closing more accounts. "There's a different path to get to each," he says. "The AI tools or the way you use AI could be different to get to those goals."

A Force Multiplier

There's also a question of how each metric is measured. Monitoring the results is critical. "You could define the wrong goal or the right goal and then take the wrong path to get there," Wright says. "You need to know what you are trying to achieve."

Defining the key performance indicators is essential, he says. In some instances, Twill has seen an 80% decrease in the time to board a merchant thanks to AI use, he adds. "I would be more careful about what you're trying to define and achieve," he cautions.

In payments, especially in merchant services, the sale is paramount. AI's near-term value is augmentation, not as an independent agent acting on its own.

Wright likens AI use in payments to a force multiplier. "We like to say we're 10-timing the human element," he says. It can help free agents to focus on selling, on using their well-honed skills to convince a merchant to switch payments providers.

Fennessey agrees. "From a realistic standpoint, AI will streamline what you do but not do everything for you," he says. AI can yield a fast result, but it's best to check how it got there, he adds.

For sales agents, AI's best benefit may be in carving out time to focus on the sale. "In a commoditized industry, from a sales standpoint, it's about maximizing the amount of effort you can make on that phone call," Fennessey says. DT

WHY AI IS BOTH THE CHALLENGE AND THE SOLUTION IN PAYMENTS

Fraud in digital payments has entered an era where AI has become both the lockpick and the locksmith.

BY SAURABH JOSHI

Saurabh Joshi is president of CSG Forte.

FRAUD USED TO BE sporadic and manual, with attackers limited by time, scale, and their own creativity. Now, fraud is adaptive and increasingly autonomous. During a time when brand trust is hard to gain and easily lost, fraud in digital payments has become especially damaging.

Businesses today are facing bad actors that can mimic legitimate customer behavior, create fake identities to bypass traditional checks, and continuously test payment systems for weaknesses. The introduction of AI has only expanded their reach.

Photo: 123RF/milkos

The tools many businesses still rely on, such as rules engines or static models, are often siloed and depend on manual tuning. That's because they were ultimately built for a more predictable landscape than the one we're operating in today.

One important nuance here is that the same AI-driven technology that enables fraudsters is also the most effective way to stop them. In an era when attackers learn and iterate in real time, defenders must do the same—or risk losing the customer trust they have worked so hard to build.

The opportunity now is to teach AI to work as the locksmith, not as the lockpick.

AI AND THE FRAUD PLAYBOOK

One of the biggest misconceptions about modern fraud is that it's still obvious. With generative models now accurately mimicking human behavior, fraud is designed to appear normal and is much harder to detect with traditional tools.

Generative AI enables bad actors to replicate signals that have historically been trusted, such as transaction behavior, identity verification, and even communication styles. This same AI technology also allows fraudsters to target attacks more accurately.

Social engineering, for example, used to be about sending the same message to thousands of people and hoping someone would engage. Now, the messages are specific, contextual, and often indistinguishable from legitimate outreach.

Autonomous technology is another enabler, allowing bad actors to conduct continuous experiments against payment systems. They can probe for gaps, learn from failed attempts, and refine approaches almost instantly. In essence, fraud today behaves much more like software than crime. It's iterative, data-driven, and constantly improving.

This is where legacy approaches start to break down. Traditional anti-fraud tools were designed for an environment where rules could be manually tuned and historical patterns could reliably signal risk. But fraud no longer behaves so predictably. While digital payments scale in speed, volume, and complexity, static rules and fixed models struggle to keep up. This forces teams into a constant tradeoff between missed fraud and unnecessary friction. Without systems that can learn continuously and adapt in real time, defenses quickly fall out of sync with how fraud actually operates today.

While fraud is constantly evolving, many prevention methods remain fixed. The result is a quieter form of fraud—more background noise than bank heist—that evades detection until losses have already occurred.

AI REQUIRES GOVERNANCE

AI-driven fraud cannot be solved by just deploying more AI alone.

Poorly governed AI can create overly sensitive systems that flag legitimate transactions as fraud, creating friction for customers. This is where many businesses struggle to balance detection accuracy and customer experience. In highly regulated environments, such as banking or health care, these false alerts can escalate from technical issues to business and compliance risks.

In hybrid decisioning models, deterministic controls work with AI to form a more cohesive approach to fight fraud. Deterministic rules provide clarity, enforce policy, and ensure consistency where it matters, while adaptive AI enables pattern identification, anomaly detection, and scaling.

This approach creates a more intelligent control system that adapts in real time while maintaining consistency and oversight. Think of it as the equivalent of giving the locksmith clear instructions on which doors to open, and which to keep firmly locked.

Equally important is knowing when not to act. Not every signal should trigger an action, and not every anomaly is fraud. In many cases, the decision not to act is just as important as the decision to intervene. That's where governance comes in, defining thresholds, ensuring transparency, and creating feedback loops to improve systems over time.

AI AS AN OPERATIONAL ADVANTAGE

Fraud prevention is both a compliance control and a growth lever. When businesses implement AI thoughtfully, it improves detection and transforms fraud management into a strategic capability that protects customers without introducing friction.

Modern fraud prevention starts with one fundamental shift from point-in-time decisions to continuous intelligence. Rather than evaluating transactions in isolation, modern systems analyze behavior patterns over time and across relationships between entities, surfacing subtle anomalies that static rules would miss.

Systems must also be built to learn and act in real time. Instant payments, embedded finance, and digital-first commerce have accelerated transaction speed, requiring risk judgments to happen in seconds. In this environment, every fraud outcome and customer interaction provides live feedback and enables models to continuously adapt as threats evolve.

The strongest fraud programs will pair AI with human expertise. While human judgment remains irreplaceable, AI can surface insights and prioritize risk, enabling teams to make faster, more informed decisions with less manual effort.

This kind of capability requires significant investment in AI models, data infrastructure, integration, and ongoing tuning. For many businesses, partnering with providers that have already solved for that scale and complexity can be a more effective path. Either way, the goal is the same: protect the business while preserving trust and enabling seamless customer experiences.

Joshi: Fraud is adaptive and increasingly autonomous.

THE NEW BASELINE

Threats today are not a temporary spike in fraud sophistication. Rather, they reflect a structural shift in which AI-driven fraud is a new baseline. We're now operating in an environment where AI-enabled lockpicks are testing systems continuously, and only AI-powered locksmiths can respond at the same speed.

The businesses that succeed in an intelligent, fraud-enabled environment are those that recognize this shift early and respond accordingly. They will treat AI as a core capability, not as an add-on, and they'll put the right governance in place as they work. This includes designing systems that can evolve continuously and keep pace with the speed and adaptability of modern threats. Businesses will also need to prioritize strategies that balance security with customer experience. The competitive advantage lies in getting the balance right between protecting against risk without interrupting the customer journey.

In today's AI-driven environment, the same technology that's being used to exploit systems can also be used to strengthen them. Businesses that learn to fight AI with AI will be better positioned to protect customers, reduce losses, and compete on trust—the most durable advantage in digital payments. DT

THE PAYOUT REVOLUTION: WHY SPEED IS THE NEW CURRENCY

Never before have modern payment technologies been so critical for user loyalty and satisfaction. The outlook is that they will grow even more so.

BY POUYA MOGHAVEM

Pouya Moghavem is chief business development officer at MassPay

CHECK YOUR PHONe right now. Chances are, someone you know is refreshing his banking app, waiting for a payment to clear. Maybe it's a freelancer wondering when that client invoice will finally hit their account…a rideshare driver checking how long until last night's earnings arrive..a creator seeing if that brand sponsorship payment has landed yet.

This daily ritual of waiting for money is one of the most overlooked pain points in today's digital economy. Millions of people rely on platforms for income, yet many of those same platforms still treat payouts like it's 1995.

For decades, businesses viewed payouts as a back-office task. Cut the check, send the wire, process the ACH, move on. But that operational mindset no longer fits the reality of a modern, experience-driven economy. How companies pay their users now defines how those users perceive the entire platform.

The true cost of slow payments rarely shows up in financial statements. It appears in user behavior—the kind that quietly erodes loyalty. A freelancer waiting three days for a deposit starts browsing competitor platforms. A gig worker frustrated by a five-day delay begins questioning whether the platform really values his time. A creator waiting on earnings starts looking elsewhere.

These small frustrations add up quickly. Support tickets multiply as users ask where their money went. Retention rates drop as people migrate to platforms that pay faster. Acquisition costs climb as word spreads about slow payments. And what starts as a minor operational delay becomes a strategic risk.

And the data backs it up. According to Visa, 72% of gig workers consider payment speed when choosing a platform, and 41% would switch providers entirely for faster payouts. In markets where workers have options, speed often makes the difference between loyalty and churn.

THE PSYCHOLOGY OF INSTANT GRATIFICATION

Modern platforms are learning what retailers and fintechs already know—speed drives satisfaction. When someone completes work and sees payment within minutes, it reinforces trust. Fast payments don't just deliver convenience; they send a message of respect and reliability.

User expectations have evolved. The same people who demand instant streaming and on-demand rides won't tolerate week-long payout cycles. To them, slow payments suggest outdated systems and misplaced priorities.

Forward-thinking platforms are adapting to this reality by shifting payment ownership from finance to product. Instead of asking how to process payments more efficiently, they're asking how to make payout experiences more engaging, more reliable, and more reflective of their brand.

The technology for instant payments already exists. Modern rails like Visa Direct enable money movement in minutes. But infrastructure alone isn't the full solution. True speed depends on orchestration and connecting real-time payments to the systems that ensure compliance, security, and global reach.

Today's leading platforms use payment-orchestration services to manage this complexity. A worker provides his card or email. The platform uploads payout data through an API. And the system handles the rest, including foreign exchange, fraud screening, compliance checks, and settlement.

This model eliminates the old tradeoff between speed and effort. Businesses can offer real-time payments without building their own banking infrastructure or managing regional regulatory requirements.

THE RIPPLE EFFECTS

Fast payouts have benefits that extend far beyond cash flow. They simplify onboarding, reduce support tickets, and boost retention. They strengthen brand reputation as users share positive experiences. And they attract higher-quality workers who value reliability.

Over time, these effects compound. A reputation for fast, reliable payments brings better talent, happier customers, and stronger growth, all reinforcing each other. The opposite is equally true. Slow payments drive frustration, negative reviews, and declining user quality, creating a cycle that's difficult to reverse.

The challenge grows for platforms that operate across borders. Payment preferences vary by country, compliance rules differ, and infrastructure maturity is inconsistent. Historically, this meant juggling multiple vendors and solutions, often at the expense of a unified user experience.

Modern orchestration platforms are solving that. A single integration can now support dozens of payment methods worldwide, automatically managing compliance and localization. Users in different regions enjoy consistent, fast experiences regardless of the underlying banking systems.

As remote work and global commerce expand, this capability becomes a competitive edge. Platforms that can pay anyone, anywhere, seamlessly and instantly, stand to win.

THE COMPETITIVE WINDOW

Right now, payment speed is a differentiator—but it won't be for long. Like mobile optimization or cloud hosting before it, what's innovative today will soon be expected. Early adopters will capture outsized gains in loyalty and growth, while laggards will find themselves scrambling to catch up.

The real question isn't whether to offer instant payouts. It's how to build lasting value once everyone can.

The platforms that succeed won't treat speed as the finish line. Instead, they'll use it as a springboard for deeper engagement and new financial services, like earned wage access, savings tools, or embedded-banking features.

Fast payments strengthen relationships. They generate data that helps platforms understand user behavior and build trust through reliability. Over time, they become the foundation for entire ecosystems of value-added services.

The message for platform leaders is clear: payouts aren't just an operational necessity—they're a strategic asset. The winners in the next phase of the digital economy will be those who treat payments not as the end of a transaction, but as the start of a relationship. DT