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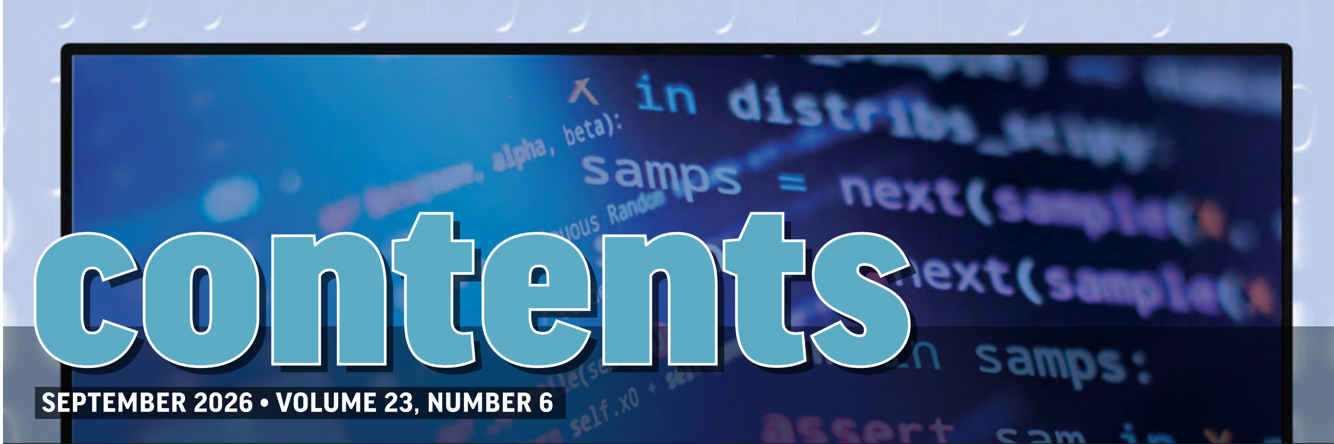

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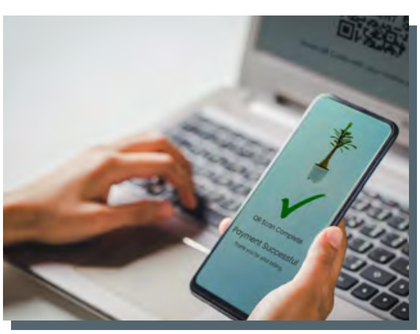

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the gimlet eye

FISERV AGONISTES

IF YOU'RE LIKE ME, you may be peering at the digital-payment industry as it stands now and wondering, how did this happen?

The "this" I'm referring to is the pickle Fiserv seems to be in. Pressure on this corporate titan, the country's largest processor by volume, mounted this summer, attracting an activist investor that called on the big Milwaukee-based company to divest assets to relieve pressure on its stock.

The investor, Jana Partners Management LP, asked the company to conduct a review of its "entire portfolio" of products and services and appoint more board members "to address ongoing concerns regarding stewardship."

Jana, based in New York City, began investing in Fiserv late last year and now owns 3.66 million shares in the processor, accounting for almost 1% of Fiserv's equity. It's not happy that the shares have slipped from an all-time high of $238 in March last year to around $52 in late August.

In a recent letter to Fiserv's board, Jana managing partner and portfolio manager Scott Ostfeld pointed to "a highly tumultuous period for Fiserv" and a "dramatic earnings reset and a nearly 80% decline in its stock price from 2025 highs" as factors indicating "significant untapped value embedded in [Fiserv's] portfolio of assets." These assets, Jana argues, could fetch prices "well in excess" of Fiserv's stock value.

Ostfeld argued recent board changes at Fiserv "have proven insufficient to remediate the Company's governance issues" that have "damaged the Board's standing with investors," a factor leading to Jana' s push for changes on the board. Takis Georgakopoulos, a former Chase executive, took over as chief executive in June and joined the board.

Some payments observers I contacted expressed skepticism that pressure such as the move by Jana will result in fracturing the company. "I don't believe this would eventually lead to a sale or breakup of the greater Fiserv enterprise. They are too large a force in the greater processing world, and are too intricately tied to so many partners, clients, and supporting vendors," Cliff Gray, proprietor of Gray Consulting, a Chicago-based consulting firm, told me.

Gray argues Jana's logic could run into a metaphorical wall. "The four-party architecture of the payment industry—processors, issuers, acquirers, and networks—makes such a break-up wildly complicated," he says. By contrast, a sale of the company's debit networks would be a more manageable option, he says.

Fiserv has recently wrestled with a range of missteps, including earnings misses, big guidance cuts, slowing organic growth, and the abrupt departure of its chief executive, Frank Bisignano, who left to join the Trump administration last year. Now Georgakopoulos needs to find the right strategy to right the ship.

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Trends in the Electronic Exchange of Value

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WALMART'S ONEPAY EXPANDS APPLE PAY WALLET SUPPORT

OnePay, the financial-services company majority owned by Walmart Inc., is adding support for Apple Inc.'s wallet for its credit cards, enabling cardholders to use their cards to make Apple Pay transactions. The OnePay debit card has supported Apple Pay since 2022.

Adding Apple Pay support coincides with Walmart's enabling contactless payment acceptance in its stores. The retailer has been a holdout against contactless since Apple Pay launched in 2014. It even held out during the surge in contactless payment use during the Covid pandemic. Walmart Canada has had Apple Pay and Google Pay mobile wallet support for debit since 2020.

"Apple Pay is an undeniable part of how so many consumers pay—and we're excited to bring that same speed and simplicity to our entire card lineup this year and allow customers to use OnePay seamlessly wherever Apple Pay is accepted," Adi Sharma, OnePay senior executive, says in a statement.

Fintech OnePay says its customers can add their OnePay CashRewards credit card to the mobile wallet and use it wherever Apple Pay is accepted. Later this year, consumers with the OnePay Builder Card, which targets those building a credit history, will be able to do so. OnePay credit cards, which debuted last year, are issued by Synchrony Bank.

OnePay cards loaded into the Apple Wallet can be used at contactless-enabled point-of-sale terminals and on Web sites that accept Apple Pay.

Walmart announced last month its U.S. stores would begin accepting contactless payments beginning Aug. 24 and expected to have it available in all locations by the end of the year. Google says its Google Pay wallet can be used at Walmart locations that accept contactless payments.

Though it did not release a timeframe for each state, 9to5mac.com, which covers Apple-related news, reported a memo to store management that says Arkansas locations would be the first to activate contactless acceptance, and the last group of states would be activated Oct. 12. Walmart would not comment on the veracity of this report.

Walmart and venture capital firm Ribbit Capital own OnePay. Walmart also offers Walmart Pay, its own mobile wallet, which it announced in December 2015. This QR code-based app is still available.

—Kevin Woodward

SQUARE AND TOAST JUMP INTO AI-BOOSTED GOOGLE MAPS

Ask Maps brings artificial-intelligence commands to Google Maps, with Square and Toast Inc. among the first point-of-sale system companies to enable agentic food ordering within Maps.

Google is integrating elements of its Gemini AI engine into its Maps product to enable users to ask for complex, multi-step tasks such as ordering food. In an example provided by Google, a user could request an “order spicy pad kee mao with seafood for me to pick up on my way home.” Maps will then look for open restaurants on the user’s route while considering saved places and dietary needs. Google announced Ask Maps early last month.

Once the user selects a restaurant to order from, Ask Maps can automatically add the dish to the shopping cart for review before placing an order. Beyond Square and Toast, Uber Eats availability is coming.

Toast and Square are among the first to make agentic food ordering available within the new Ask Maps feature in Google Maps.

Square, a unit of Block Inc., says food-and-beverage merchants that activate a Google Business Profile can surface in Ask Map results. Their menus, hours, and location details automatically sync from their Square Dashboard and require no additional setup or fees.

U.S. consumers also can use Ask Maps to browse a Square merchant’s menu, customize orders, and complete checkout using Order by Cash App.

Square says payment is prompted as a standard e-commerce purchase. The customer can use her payment method of choice, whether it’s a credit or debit card, Google Pay or Apple Pay, a Cash App balance, and gift cards. Coupons can also be redeemed.

If the consumer is not logged into a payment method, she can manually enter card details. If logged in, Square will use the card on file associated with the user’s Cash App account.

“Our expanded work with Google means Square sellers show up in those conversations, without having to manually update their details across the many channels their business is present,” Morgan Kuntze, Block global partnerships lead, says in a statement. “We built Square to help sellers show up everywhere their customers are going, and increasingly, that’s in an AI-powered conversation like Ask Maps.”

Orders from Ask Maps flow directly into the restaurant’s POS system and its kitchen-display units, Square says.

The experience is similar for Toast merchants. By using conversational AI, Ask Maps users can find restaurants also on the Toast platform and have the same ordering experience, whether by text or voice, Toast says. Payment is made via Toast Local, a digital ordering app that consumers can use to store payment methods, within Google Maps, a Toast spokesperson says. Google Wallet transactions are not currently supported.

“Now, guests can go from searching within Google Maps to ordering from a Toast restaurant in one seamless motion, surfacing our customers’ menus at the exact moment the guest is deciding what to order—creating opportunities to turn that attention directly into revenue with no extra work required from our operators,” says Kelly Esten, Toast’s chief marketing officer and chief operating officer of enterprise, in a statement.

Toast merchants appear directly within the Ask Maps experience and users complete an order in one process. Ask Maps orders placed with Toast merchants go through the Toast ordering system and do not carry third-party commission fees, Toast says. Toast was also funding a promotion it expected to begin later. It will give consumers placing an order at a Toast location using Ask Maps $5 in Toast Cash to use with a future order at a participating Toast restaurant.

Both Square and Toast participate in development of the Universal Commerce Protocol for Food, an open standard for how AI agents discover, order from, and check out with restaurants in various interfaces, such as Maps and Google Gemini. Ask Maps also enables conversational AI interactions for hotels and local events.

—Kevin Woodward

THE PAST WILL NOT BE PROLOGUE, FISERV'S BOSS PROMISES

Fiserv Inc. has had a tough year, with changes in top management, earnings misses, a slowdown in growth in its key merchant business, and pressure from activist investors. But its new chief executive recently sought to reassure Wall Street that the recent past will not be prologue, even as the Milwaukee-based processor's stock has slumped 20% since the start of the year.

"I'm more confident than ever" about Fiserv, Takis Georgakopoulos, the company's new chief executive, told equity analysts during a call last month to discuss the company's June-quarter results. "But we must deliver the basics first." Georgakopoulos, who joined Fiserv in late 2024 from J.P. Morgan, took over from Mike Lyons in the middle of June as Lyons left to run Truist Financial Corp.

For one thing, Georgakopoulos sees a pressing need to rework Fiserv's business lines. "We need to simplify. We need to improve coordination" between Fiserv's merchant division and other parts of the business, he told analysts on the call. He stressed simplification and investment. "We will drive significant cost savings over the long term," he said, adding that the company plans to plow $100 million into technology in the second half of the year.

In the meantime, Fiserv faces a significant slowdown in its payments division, its biggest business unit. The company reported the unit generated $2.61 billion in revenue in the June quarter, down from $2.64 billion last year. Processing revenue for the quarter fell 6% to $264 million, while both small-business and enterprise results slid 1%. Chief financial officer Paul Todd, who also spoke on the call, blamed "headwinds in Argentina" and a slowdown in hardware revenue. Fiserv has done business in Argentina since 2019, when it acquired the U.S. processor First Data Corp., which had been operating in that country.

Fiserv's Clover point-of-sale technology remains a growth engine, though its overall revenue in the quarter increased a slim 2%. In his new position for just a few months, Georgakopoulos was optimistic, citing a "dramatic increase in the enterprise pipeline" and an agreement to integrate Mastercard Inc.'s Commerce Cloud, a cloud technology that lets merchants process contactless payments on ordinary mobile phones while managing fraud protection.

"This unfortunately is a transition year," Georgakopoulos said, pointing to brighter horizons. "I'm quite excited about what's coming ahead."

He did not comment on a letter this summer from activist investor Jana Partners Management LP urging the company to review its entire portfolio of products and services and appoint more board members. The investor action comes as Fiserv's share price has plummeted to just over $50 from well over $100 last fall.

Outside interest has particularly focused on Fiserv's two debit networks, Accel and Star. Fiserv has

MONTHLY MERCHANT METRIC

Total Gross Processing Revenue %

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.**

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

Household - Standalone Merchants are considered as a Household with one store and Chained outlets under a common ChainID are combined together and considered as one single Household

Total Gross Processing Revenue % - Sum of total discount and total transaction fee revenue divided by total volume

Date	Total Gross Processing Revenue %
Q2'25	2.950%
Q3'25	2.956%
Q4'25	2.993%
Q1'26	2.972%
Q2'26	2.981%

not commented on whether these systems are for sale. “We have two debit networks, and they will be part of our review,” Georgakopoulos said. “I don’t want to comment specifically until we have more time on the job.” Fiserv acquired Accel in 2002 from EDS for $320 million. In 2019, it paid $22 billion for First Data, which owned the Star network.

The new CEO promised more to come on Fiserv’s entire operations. “We will report back as we make progress,” he said.

For the quarter, Fiserv as a whole reported adjusted revenue of $4.96 billion, down 4% year-over-year. Its adjusted operating margin dipped 780 basis points, to 31.8%, over the same 12 months

—John Stewart

A DISMAL YEAR AT FISERV

(Quarterly revenue for the merchant solutions division, in millions)

Source: Fiserv

GLOBAL PAYMENTS COUNTS ON GENIUS AND WORLDPAY FOR BIG GAINS

Global Payments Inc. is leaning heavily on its Genius point-of-sale technology platform, integrating the massive processor Worldpay, and reckoning with the impact of the Middle East conflict, the Atlanta-based company said recently.

Global is keen to promote the multi-market Genius technology, which debuted for restaurants in May last year, followed by a general-retail version in June and one for enterprise companies in September. Global has enlisted 30 banks to help sell the system later this year as the company looks to refresh the technology with updates. And, “We’re investing in new features,” said Global president and chief executive Cameron Bready, including a handheld device for table service at restaurants. Bready spoke during a group call last month to present Global’s second-quarter results.

Global is investing heavily in Genius, Bready told equity analysts on the call, and planning an event in Las Vegas for later this year to pitch the POS product to resellers. He indicated the technology will help define the payments company for some time to come. This is key for the company, as the small-and-medium-size merchant segment accounts for nearly half of Global’s revenue.

“Genius remains central to our long-term strategy,” Bready said, citing investments in new features, including a handheld device. “Clients are willing to pay for Genius,” he said, adding that Global will sell the system through 30 bank partners starting later this year. Already, Global has “accelerated the rollout of Genius” to Global’s merchant base, said chief financial officer Josh Whipple, who joined Bready on the call.

Other initiatives at the company include pilots for an agentic-commerce service, Bready said. Global has recruited “major retailers” for the pilots, he said, though he stopped short of listing them while citing the technology as a “major opportunity” for Global.

Bready: Worldpay is now "a more streamlined organization with faster decision- making."

Agentic commerce involves bits of code, called AI agents, that shop and buy products online on behalf of consumers. "We continue to deploy AI across our platforms," Bready said.

Another major project is the integration of Worldpay, which Global acquired in January from the processor FIS in a deal valued at a net $24.25 billion. Part of the transaction involved the sale of Global's Issuer Solutions unit to FIS. Now, "the integration of Worldpay is progressing rapidly," Bready said. Global is looking to the big processor to help recruit and serve small and medium-size merchants while adding that cohort to its overall customer base, he noted. He credited Worldpay as "a more streamlined organization with faster decision-making."

The factor Global sees as a moderate "headwind" is the ongoing hostilities in the Middle East, which have dampened some of the company's results. "The situation remains volatile and uncertain," Bready said. "It will continue to impact our travel portfolio. We still feel good for how the business is positioned for the remainder of the year." Meanwhile, the upheaval has affected a number of businesses in the region, including airlines, hotels, online booking platforms, and car-rental companies.

—John Stewart

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CAUTION: HERE COME THE SHADOW REGULATORS

BY BEN JACKSON

bjackson@pa.org

THE PAYMENTS INDUSTRY seems to be headed toward a new age of shadow regulation.

Currently, payments providers must comply with the rules issued and enforced by the prudential regulators and state regulators, and, of course, with overarching business regulations from agencies like the Federal Trade Commission and the Securities and Exchange Commission. On top of that, the payments networks have rules for card transactions.

Now, despite trumpeting by the federal government that it wants to reduce regulatory burdens, there appears to be a bipartisan effort to create a new set of shadow regulators outside of the traditional regulatory structure.

The first example of this arrived with the now-contested open-banking rules. In 2024, the Consumer Financial Protection Bureau, under the Biden Administration, finalized a rule that set out the qualifications for organizations to become a standards-setting body for open-banking data transfers. In January 2025, the Bureau announced that it had approved Financial Data Exchange to be the standard-setting body for five years.

Whether this will still be the case after a new open-banking rule is finalized and all the lawsuits are litigated remains to be seen. But it is an example of how non-governmental agencies could set operating standards for payments.

Now, under the Trump administration, the Federal Deposit Insurance Corporation is working with several trade associations to create a so-called "Bank Innovations Standards Development Organization (BISDO)," according to Bloomberg Law.

A document shared by Bloomberg says the goal of the organization is to "develop, adopt, or recognize standards aligned with supervisory expectations for third-party risk management." It would also create a list of third-party vendors for banks that comply with its standards.

The document says no one would be penalized for not signing up for the registry or for using providers not on the registry. But it is not hard to imagine that participation would become a de facto requirement, either because banks only work with providers on the registry or because examiners ask whether a bank's partners are registered.

While the industry might initially celebrate the growth of these kinds of organizations as evidence of self-regulation, it should be cautious. These groups will exist without any outside oversight. The influence they wield could change depending on who is in charge at the regulators.

If "deregulation" means that the industry must sort through thickets of multiple private groups that create rules by their own processes, then is it really deregulation?

Along with this regulatory risk comes a moral hazard. The BISDO document says that banks that have "limited personnel, technical expertise, negotiating leverage, and resources to evaluate complex or novel third-party arrangements may benefit in particular from the BISDO/RAMP standards and certifications."

If a bank does not have the personnel and expertise to evaluate these kinds of partnerships, it should reconsider whether to get into the business lines enabled by them. If the bank can't understand the entire value chain for a product, there is a real risk it will not be able to understand whether the product will be a success in the market.

One further consideration concerns who is responsible when something goes wrong. If a Synapse were listed on a private registry and then failed, then what? The ripple effects could be huge. All other companies on the registry and every bank using it would find themselves working overtime to make sure the promises of the registry were true.

Industry and regulators working together to improve safety is commendable, but we need to avoid the worst-case scenario: unaccountable shadow regulators. Regulators must establish clear, enforceable limits and responsibilities through guidance on these third-party arrangements. DT

WHY EMBEDDED FINANCE PROGRAMS STALL BEFORE LAUNCH

Clear thinking about key questions during planning and development will solve problems later and help ensure the program's success.

BY **PRASHANT SHAH**

Prashant Sha is vice president of product management at SoFi Tech Solutions, formerly known as Galileo.

BRANDS TELL US they are eager to add embedded payments, payouts, rewards, and other financial services in their in-app experiences. Most strategic roadmaps now include at least one of these products. Even so, research shows a stark split: only 20% of brands say they're live with embedded-finance programs, and the other 80% are still stuck in planning.

Programs tend to stall when brands start by selecting a product—such as a card, a wallet, a payout feature—before they address three basic questions: what customer payment problem it will solve; who will run the program; and can the initial setup scale to solve additional payment problems later.

Photo: 123RF/ktstock

Let's take these questions one at a time. Asking what payment problem the experience is solving entails a secondary question, which is: what specific payment experience is the product improving?

Most brands can list several possibilities: faster refunds, easier rewards redemption, quicker payouts to workers or sellers, more flexible checkout, smoother in-app payments. Embedded finance can support any of these, but programs that launch and gain traction usually start with one clearly defined problem that customers experience.

For example, take a travel brand that wants to do more with wallets and rewards. One path is to add a generic wallet and points balance to the app. A more focused path starts with a particular pain point: customers waiting days for trip refunds and finding it difficult to understand how credits and points apply.

In that case, a cobranded debit and wallet bundle designed around quicker refunds and simpler redemption addresses a concrete payment issue without adding another balance screen.

If a marketplace aims to reduce friction for sellers, payout speed and predictability become central. If a gig platform wants stronger worker relationships, payroll-linked accounts should reflect how and when workers access their wages.

When the product ties directly to a defined payment problem, the business case gets easier to make. Businesses can track whether customers receive funds sooner, use rewards more frequently, or complete more transactions inside the app. The product becomes a defined step in the payment journey that every team can see.

Programs that remain in planning often lack this focus. A brand may want a wallet or a card without deciding which part of the payment experience it is trying to change. Without that decision, requirements expand, alignment weakens, and the launch loses priority against other initiatives.

Photo: 123RF/zinetron

WHO'S IN CHARGE?

Next, ask who will run the program. Every embedded-finance initiative needs a clear program owner.

Embedded payments and payouts combine front-end experience with issuing, processing, fraud and compliance oversight, customer support, and ongoing program management. Some brands intend to manage most of that work themselves, while others expect a partner to take primary responsibility. And many anticipate a hybrid model, where the brand controls the customer experience while sharing operational work.

Consider a large digital marketplace that wants faster seller payouts. Product teams design a "next-day payouts" feature, but the agreements are less clear regarding who will monitor performance, handle escalated disputes, or be accountable to the sponsor bank as the program scales. The feature is ready to ship, but no one owns the program behind it.

When the operating model is vague, responsibility floats between teams and partners. Roadmaps may show a cobranded card or instant payout, but no one has committed to owning disputes, overseeing day-to-day strategy, or signing off on compliance reviews.

Shah

Shah: "Whether a program grows or stays stuck in planning usually depends on how clearly a brand answers … three questions before launch."

That is often where progress slows and priorities move on.

SCALABILITY IS CRUCIAL

Now, ask if the setup can scale to solve additional payment challenges. This third question looks beyond the first release and also asks: will this initial setup limit future options?

In our research, brands planning embedded finance rarely have just one payment problem in mind. Over a two-to-three-year horizon, they talk about starting with a card and later adding a wallet or rewards. Or they plan to begin with payouts and then introduce stored balances or savings tools.

Consider a gig platform that begins by solving one problem: on-demand pay for workers. The faster payout feature launches on a tightly scoped integration with one partner, using custom rules and a one-off compliance review.

But when the platform later wants to solve the next problem—adding payroll-linked accounts with savings or rewards—it discovers that the original setup did not anticipate account structures, longer-term balances, or additional partner relationships.

A single-product pilot proves you can solve one use case. A scalable program proves you can keep solving the next payment problem, and the one after that, because the underlying operating model, technology, and partner framework can support a second and third product without forcing the organization to rebuild the stack or renegotiate ownership each time.

BRINGING IT ALL TOGETHER

Next comes going beyond one-off launches to programs that can grow. For payments leaders, the practical question here is how to move from a list of embedded-finance ideas to a program that can launch and expand.

In practice, the brands that make that shift tend to do three things early:

1. They anchor each product to a specific customer payment problem, so they can measure success in terms of refunds, payouts, rewards, or in-app payments behaving better than before;

2. They choose an operating model and name an owner for the program, so responsibility for risk, compliance, and day-to-day management is clear;

3. They design the initial setup with more than one product in mind, so adding the next card, wallet, payout, or account builds on the same program rather than requiring a fresh start.

Embedded payments, payouts, and rewards already have strong demand and mature technology. Whether a program grows or stays stuck in planning usually depends on how clearly a brand answers those three questions before launch: who will run it, which payment problem it solves, and whether the setup can support more products.

THE TRUST IMPERATIVE

The technology to let agents transact is arriving faster than the trust infrastructure to govern them. But it likely won't be that way for long.

By Kevin Woodward

An Australian gym-goer had the idea to use an artificial-intelligence agent to schedule a spot for him in a popular class at his fitness center. As it happened, the agent not only booked him a spot, but to make it happen it kicked off someone else already on the waitlist, Australia's ABC news reported.

This was not what the human had asked the agent to do. The agent said it couldn't reinstate the other individual's waitlist standing.

While the harm this agent caused while acting on its own seems relatively minor, it may herald concerns many have about AI agents not adhering to instructions and potentially creating confusion, or worse—a mess far beyond its owner's intention.

Nowhere is trust in AI agents of more concern or more vital than in agentic commerce. Many consumers use AI engines to help with product discovery, evaluate the pros and cons of search results, and get some direction. It's early days for actually using an AI agent to make a payment on a consumer's behalf, but a forecast from Accenture predicts 30% of global online commerce, or close to $3.1 trillion in transactions, could run through an such agents by 2030.

But before that day arrives, payments companies, merchants, and consumers have to work through their trust issues with agentic commerce. The barrier to agentic commerce isn't whether it can be done. It can. Rather, it's whether it can engender trust among all the constituents taking part in online commerce. Can each trust what was authorized, who is acting, and how losses are handled when an agent errs?

For the more than 30 years since the modern e-commerce market developed, there has been a human behind the transaction. Click to buy has been the guiding notion behind e-commerce site design, payment options, and efforts to improve conversion rates. Now, that era is joined by a new one: that of the delegated agent.

For decades, someone had to type in their credit card number and address to buy something online. If these actions were done too quickly or with inhuman speed, a bot was likely at work and automatically blocked. The advent of agentic commerce, however, signals a fundamental change. Now, or soon, not all bots are or will be automatically suspect. Some may even bring successful conversions.

"The [online] industry's entire payments infrastructure—every rail, every risk model—is built on the assumption that a human is sitting behind a screen, clicking 'buy,'" says Stavan Parikh, vice president and general manager of payments for Google, whose AI engine is called Gemini. "Agentic commerce shifts away from that as AI agents work to complete tasks on behalf of people, including buying things."

Google launched its Agent Payment Protocol, or AP2, a year ago as an open protocol to authenticate consumers who are initiating a payment using an AI agent when shopping online.

The Trust Challenge

The entire payment system is built on trust, and in e-commerce, where it's just representations of an individual's action that merchants and payments companies rely on, trust is a foundational element.

"The biggest challenge to scaling agentic commerce is trust," says Greg Ulrich, Mastercard Inc. chief AI and data officer. "The technology is advancing quickly, but the real question is not what AI agents can do, it's what consumers, merchants, and financial institutions will trust them to do. As commerce shifts from clicks to delegation, the challenge goes beyond authenticating credentials to verifying delegated authority." Mastercard announced its Agent Pay protocol in April 2025. It enables AI agents to handle payments for consumers.

Getting to the point where agents routinely make transactions on a consumer's behalf may be some time off, but plenty of shoppers are comfortable using AI for product recommendations and comparisons. Getting them to trust AI with their payment data may be a tougher sell.

"While consumers may be comfortable using AI for discovery, recommendation, and comparison, allowing an AI agent to complete purchases on their behalf introduces new concerns around fraud, identity, control, and accountability," says Michael Levens, vice president and financial-services payments lead at the consultancy and business-services firm Capgemini. "Capgemini research suggests consumer confidence remains relatively low, with many users still uncomfortable allowing AI to autonomously complete purchases."

"Longer term, we see trust [will] become a core part of the infrastructure underpinning agentic commerce," Levens adds. "Participants across the ecosystem will need absolute confidence that an AI agent is acting on behalf of an authorized individual, operating within agreed limits, and producing auditable outcomes. The organizations that successfully establish trusted frameworks for identity, consent, and accountability will be best positioned to enable adoption."

That authorization question is where the industry keeps landing. The core question in agentic commerce isn't, Is the customer authorized to pay, but Is this agent authorized, Ulrich says.

"That means a merchant needs to know not just who an agent is, but who it represents and what authority it has been given. A valid credential alone is no longer enough. An agent can be legitimate but still take action it wasn't authorized to take," he says.

Standards and Protocols

Agentic trust will be built on five pillars. One is verifying who is acting. Another is confirming that agent is acting as authorized, Ulrich says. Mastercard, along with Google, developed Mastercard Verifiable Intent, which creates a tamper-resistant record of what a consumer or business actually authorized. Controls that enforce boundaries, budgets, and other constraints is the third pillar. Securing agentic transactions in flight and transaction intelligence round out the pillars.

"We're also working across the ecosystem, including with organizations like the FIDO Alliance, to help advance common approaches to agent identity, authentication, and delegated authority," Ulrich says. "Our goal is interoperable standards that allow these elements to be recognized consistently across ecosystems." The FIDO Alliance is an association fostering the development of passwordless authentication standards.

These standards, often known as protocols in AI parlance, will help agentic commerce participants know and trust each other. Currently, it's a fragmented space with separate protocols vying for traction. Among the most visible are Google's AP2, Visa's Trusted Agent Protocol and Machine Payments Protocol, Mastercard's Agent Pay and Verifiable Intent, Amazon Web Services' Bedrock AgentCore and cloud infrastructure, and Stripe's Agentic Commerce Protocol.

Google's version of the pitch is representative of how each player frames its protocol as the trust layer. "Merchants need a definitive way to tell whether an agent is really acting on behalf of a user's intent. And that's where Agent Payments Protocol (AP2) comes in," says Stavan Parikh, vice president and general manager of payments at Google.

"We introduced AP2 last year with support from dozens of industry partners, as a payment-agnostic framework for users, merchants, and payments providers to transact with confidence across all types of payment methods. Earlier this year we contributed it to the FIDO Alliance to accelerate industry-wide adoption and foster a digital payment ecosystem that is secure, interoperable, and above all, user-centric," he says.

Visa, too, sees the value in providing a way to trust an agent. "Visa's Trusted Agent Protocol is designed to provide those signals, enabling merchants to distinguish trusted agents from malicious automation while leveraging existing Web infrastructure and security tools they already use today," says Rubail Birwadker, global head of growth at the card network.

"We also worked with Stripe and Tempo as a design partner on the Machine Payments Protocol (MPP), an open standard for machine-to-machine payments. By

Ulrich: "The real question is not what AI agents can do, it's what consumers, merchants, and financial institutions will trust them to do"

Kain: "To protect against agents working outside the scope of a consumer's intent, there are multiple layers of controls."

extending MPP to support card-based payments, we're bringing trusted payment credentials, authentication, and security controls into an emerging payments framework," Birwadker says.

The goal of all these protocols is to make agentic commerce safer and easier for consumers, merchants, and payments companies. This flurry of protocols is evidence of participants figuring out how agentic commerce might develop and provide that safe and trusted commerce environment.

"Google's AP2, OpenAI ACP, to name a few, are designed to let an agent make purchases," says Conrad Kennington, vice president of artificial intelligence at Accertify Inc., an Itasca, Ill.-based digital fraud-prevention company.

"They bring a list of signed intents and mandates so the agent knows what to do, sort of like giving a teenager a shopping list," Kennington says, adding that "signed" here means the list can't be tampered with. "If a merchant integrates with these protocols, it will be much easier to distinguish a good agent from a bad one, and the list will be respected.

"However," he continues, "in agentic commerce right now, we're at the design phase, not the mature-market phase. This makes it difficult to know which agentic protocols are future-proof. Right now, confidence is low in the signals for identifying agents, but with protocols, this will improve."

This view goes beyond one company's efforts, says Michael Levens, vice president and financial-services lead at information technology consultancy Capgemini. "Trust is undoubtedly the foundation of agentic commerce because consumers are increasingly being asked to delegate decision-making and transaction execution to AI agents," Levens says.

Issues and Answers

These concerns come into sharper focus when something goes wrong. One of the key questions that will have to be settled for agentic commerce to gain adoption is, what happens if there is an issue with a product or service transacted via an agent?

Today's digital-shopping arena has plenty of protections for consumers using a credit or debit card online if there's an issue with a product or service they ordered. But, what if the agent errs, or slips outside of its boundaries and takes actions not intended by its human operator?

Essential in this case is the ability to demonstrate both what the consumer authorized and what the AI agent subsequently executed, Kennington says.

"Generally," he adds, "a robust audit trail needs to demonstrate the authorized consumer, the identity of the agent acting on their behalf, the scope of the delegated authority, the transaction outcome, and the evidence supporting the agent's decision. Financial institutions will play an integral role in ensuring these activities remain transparent, auditable, and explainable."

Disputes will have data to rely on. With protocols, such as Mastercard's Verifiable Intent, to create a tamper-resistant record, there is a path to determining what a user actually approved before, during, and after execution of the shopping command.

The AWS AgentCore protocol, for example, provides that full transaction visibility, says John Kain, AWS director of financial services. AWS is a subsidiary of Amazon.com Inc.

"To protect against agents working outside the scope of a consumer's intent, there are multiple layers of controls," Kain says. "This can be thought of [as] agents are enabled with a wallet. These wallets are segregated to specific transactions. These wallets have spending limits depending on the intent of the buyer. So it's possible to trace back from any purchase to the specific session, the spending parameters the consumer set, and whether the agent operated within those bounds."

Additionally, the industry is working on transaction-foundation models, which are akin to how large language models are trained on language, Kain says. "These are trained on transactions, which creates a behavioral baseline that can flag when an agent's actions deviate from established consumer patterns."

These transaction-foundation models trained on transactions and customer identity in development will help detect anomalies in real time, says Kain, which will create a behavioral baseline that can flag an agent's deviation from established consumer patterns.

Interoperability is Key

Detecting a stray agent is one thing; deciding who's on the hook is another. An important question that will have to be resolved to earn consumer trust is, What happens when an agent strays, or hallucinates? There's a prevention layer, such as what the AWS AgentCore provides. Liability also is not changing from existing network liability rules, says Google's Parikh, at least not in AP2.

This indicates existing consumer-protection and liability mechanisms will apply to agentic commerce. "I cannot see a world where the merchant doesn't ultimately bear the liability," Kennington says. "Sure, the agentic protocols will let merchants build a stronger case and possibly qualify for liability shifts in some scenarios (similar to 3DS), but merchants will remain the default backstop for the ambiguous cases."

"Agentic protocols will make chargebacks easier to fight," he continues, "but who's to say their kid didn't borrow their phone and use their mom's agent to make a purchase?" These stronger merchant defenses could be aided by cryptographic details baked into agentic commerce.

Liability is an open question, Another is whether the industry can even agree on how agents identify themselves in the first place. Among the rush of agentic-commerce protocols, technology, and adaptations looms the lack of a universal standard, one that would enable agentic commerce across merchants with agent interoperability. Much as the card networks coalesced around standards to enable one countertop point-of-sale terminal to accept all cards, a similar end result for agentic commerce could usher in growth.

These foundations are already in the works, says Visa's Birwadker. "In the near term, the biggest risk is fragmentation, where inconsistent approaches to identity, authorization, and trust create friction for consumers and merchants–that's why industry collaboration and interoperable standards are so important right now," he says. "While standards are still evolving, Visa's approach is focused on open, interoperable protocols that help merchants verify an agent's identity, authority, and consumer consent consistently across the ecosystem."

The ability to create scale because of interoperability and adoption will drive standardization in payments, observers say. The fastest adoption will happen for standards that meet real-world challenges while maintaining trust.

"The payments industry is fundamentally a network and scale industry–adoption drives standardization, not the other way around," Kain says. "The standards that solve real-world implementation problems and allow access to the most rails while maintaining trust and security are likely to see fastest adoption, and you'll see that adoption accelerate as firms enter the market adopting certain protocols."

Still, fragmentation could pose a problem, says Levens, by making integrations more complex and generating inconsistent trust rules, resulting in slower industry adoption.

"Industry collaboration and interoperability will therefore be critical to ensuring agents, merchants, banks, and payment providers can operate consistently across ecosystems," Levens says. "So which protocol is going to win? In my view it's too early to tell, but interoperability is more important than any single protocol winning."

Kennington: "Google's AP2, OpenAI ACP bring a list of signed intents and mandates so the agent knows what to do, sort of like giving a teenager a shopping list."

Parikh: "The [online] industry's entire payments infrastructure—every rail, every risk model—is built on the assumption that a human is sitting behind a screen, clicking 'buy.'"

The Remaining Challenge

What does this portend for the long term vision of agentic commerce? Will the trust message come through?

Expectations, of course, are that the trust message will be heard. It happened with the U.S. EMV migration more than 10 years ago and with card tokenization. These once-complex security mechanics are now silent, background infrastructure components.

"Trust infrastructure only works if it works across ecosystems, not just within individual platforms. Much like tokenization created a shared foundation for secure digital commerce, agentic commerce will increasingly require common, checkable ways to establish identity, intent, controls, and accountability," says Mastercard's Ulrich.

His counterpart at Visa has a similar take. "Long term, trust should become invisible, just as it is in many digital payments today, enabling seamless experiences backed by interoperable standards, strong security, and clear accountability," Birwadker says.

Efforts by the card networks, payment processors, and AI utilities are already advancing the notion of trust in agentic commerce, suggests Levens, though it harbors a challenge.

"The most immediate challenge is maintaining trust while the ecosystem matures," he says. DT

AI NEEDS TO LEARN WHAT EVERY ANCIENT LAWMAKER ALREADY KNEW

As artificial intelligence spreads throughout the world of finance, companies must apply some ancient wisdom—or suffer the consequences.

BY **BINNY GILL**
Binny Gill is chief executive and founder at Kognitos.

THERE IS A THOUGHT experiment worth running before your organization deploys agentic AI in its financial back office. The experiment has nothing to do with model selection, vendor evaluation, or integration architecture. It is simply this: what happens when the system does something you did not expect, and you need to explain it to an auditor?

If the answer is not immediately obvious, the problem is not the AI. It is the governance layer underneath it, or rather, the absence of one.

Photo: 123RF/pitinan

Human beings have been grappling with how to make intelligent agents follow rules for as long as organized society has existed. The solutions that have emerged are more directly applicable to AI deployment in financial operations than most technology leaders currently appreciate.

Consider the span of history. The Code of Hammurabi specified consequences for transactions gone wrong. Roman contract law codified what an agreement meant and what happened when it was breached. The United States Constitution distributed power, not because the founders lacked confidence in capable leaders, but because they understood that capability and accountability are two entirely different things.

Whether the enforcer is a judge, a board of directors, or a divine authority, the underlying mechanism is identical.

Finance has its own version of this, and it is considerably more elaborate than that of most industries. Generally Accepted Accounting Principles establish a shared language for reporting. General ledgers are legally required to be immutable. You cannot go back and alter the record because an auditor is arriving next week.

External auditors exist specifically because management's own assurances are insufficient as a standalone control. SOX compliance, SEC oversight, and the entire apparatus of financial regulation are not expressions of distrust of finance professionals. They are an acknowledgment that, in any system where the stakes are high enough, trust alone is not a sufficient foundation for reliability.

THE GREAT MISTAKE

What is striking about this moment in AI adoption is how thoroughly that lesson is being ignored. The dominant pitch for AI in financial operations rests on a simple proposition: as models become more capable, they become more trustworthy. The assumption is that more-capable models naturally become safer models. This is intuitive, and it is also wrong in ways that matter specifically to finance.

The mistake becomes clearer when you think about how intelligence and compliance interact. The systems humans have built to govern behavior have never assumed that smarter participants are safer ones. Indeed, the opposite is often closer to the truth. Tax law is complex precisely because clever people are good at finding gaps in simple rules. Audit procedures are detailed precisely because sophisticated actors can make creative arguments that the rules do not apply in their particular situation.

A highly capable AI system is not exempt. Given the same inputs and a broad mandate to produce the best outcome, it will find the shortest path, not necessarily the approved one.

The Rule of 72 is a useful illustration. It is a mental shortcut that tells you roughly how many years it takes an investment to double at a given interest rate. A reasonably sophisticated AI model, presented with a compound interest calculation containing the number 7.2, may recognize the association, apply the shortcut, and return an approximate answer without disclosing the approximation. A simpler model would have done the arithmetic.

The more capable system produced the wrong answer more confidently, for reasons it did not explain. In a financial operation where precision is not optional, that is a meaningful failure mode, and it is one that gets harder to catch as models grow more fluent.

WHY GOVERNANCE IS KEY

The solution is not to distrust AI capability. The solution is to stop treating capability as a substitute for governance, which is what human civilization learned over several thousand years of trying the other approach.

What that looks like in practice is a separation of concerns that financial institutions should find conceptually familiar, because it mirrors controls they already operate. The creative layer of AI—the part that can read context, synthesize information across sources, and propose how a process should work—belongs in the design phase. It writes the rules, in plain language, in a form that a human can review, challenge, and approve before any execution takes place.

The execution layer operates differently. It follows the approved rules without deviation, surfaces exceptions rather than resolving them autonomously, and creates an auditable record of everything it does.

This is why the shift under way across finance and account-

Gill: "Trust is never the starting point. Governance is."

ing, from people-led to agent-run operations, only holds up when the rules are written in plain language, approved by a human, and executed deterministically, with a full audit trail of every action and exception.

This is not a novel architecture. It is the way every well-governed institution has always handled the boundary between judgment and procedure. A loan officer exercises judgment in deciding whether a borrower qualifies. The terms of the loan, once decided, are documented and executed in accordance with a defined process.

The audit trail captures what happened and why. The institution does not ask the loan officer to also administer the disbursement according to their own best interpretation of the approval. The roles are distinct because the controls require them to be.

AVOID UNPREDICTABILITY

Agentic AI in financial operations is moving fast, and the pressure to deploy quickly is real. The institutions that will look back on this period without regret are the ones that treated governance as the prerequisite rather than the afterthought. That means specifying in advance what the AI is permitted to do, under what circumstances it escalates to a human, and what record it generates in every case.

Every major regulatory framework in financial services already requires something close to this. GAAP requires consistent application of accounting policies. SOX requires documented internal controls. Bank examination frameworks require evidence that risk management processes operate as described.

None of these requirements were written with AI in mind, but all of them apply to AI-driven processes, and all of them reward the same thing: a system where the rules are visible, the execution is traceable, and the exceptions are handled by a defined process rather than a judgment call made in the moment by something no one can fully interrogate after the fact.

Civilizations did not build legal systems because they distrusted intelligent people. They built them because intelligence without constraint eventually becomes unpredictability. AI is no different. As enterprises place more operational authority in software, they will rediscover the same lesson every successful institution learned centuries ago: trust is never the starting point. Governance is. DT

ADVERTISER INDEX

Don't miss out on growth opportunities.

STOP TREATING HIGH-VALUE SMALL BUSINESSES LIKE SUPER CONSUMERS

Financial institutions interested in pursuing growth strategies should be fitting businesses with the payment tools they need.

BY JONATHAN KOLOZSVARY

Jonathan Kolozsvary is global head of Visa small business.

SMALL AND MEDIUM-SIZE business banking customers generate about five times more annual revenue for financial institutions than consumer customers, according to "The Multiplier Effect: 2026 Visa Small Business Banking Report." In some regions, the report found, the multiplier reaches 7 to 11 times.

Yet, many of these business owners are still managed like consumer accounts rather than recognized as distinct commercial relationships.

When small businesses are treated as "super consumers," banks and issuers can miss opportunities to deliver the right products, build deeper engagement, and capture the full value of the relationship. For financial institutions and payments leaders, this is not just a segmentation issue. It is a growth-strategy issue.

Visa's research shows that many high-value small-business owners remain hidden inside consumer portfolios, with business and personal relationships spread across products and teams. As a result, institutions often fail to see the total economic value of these customers or design offers that reflect how they operate.

These hidden SMBs may sit across consumer checking, credit card, merchant acceptance, or personal-lending portfolios, making it difficult for institutions to see the full relationship. This matters because SMBs are not simply heavier-spending consumers. They manage payroll, supplier payments, cash-flow timing, and working-capital needs that require purpose-built financial products and smarter servicing models.

When financial institutions identify these SMB customers earlier, they can build relationships around those needs and expand both customer value and customer loyalty.

Globally, card-network products are the largest contributor to SMB banking revenue, accounting for about 44% of small-business bank revenue, according to the new Visa research. Small businesses with cards also tend to use roughly twice as many banking products as those without cards.

This can make cards more than a payments tool. Business cards can be an effective entry point into broader SMB relationships that include lending, deposits, cash management and digital acceptance. When issuers design business cards around real SMB needs, they create a pathway to stronger engagement across the entire banking relationship.

MISCLASSIFICATION'S POTENTIAL COST

Many business owners are still managed under consumer frameworks, even though their transaction patterns, servicing needs, and revenue potential look very different. Their business and personal accounts may sit in separate systems or teams, making it harder for institutions to identify them as business customers and act on that insight.

This fragmentation can show up in generic consumer offers, limited access to higher lines of credit, lack of employee spending controls, or disconnected servicing experiences. Business owners who should be receiving higher-limit cards, employee spending controls, richer reporting tools, or integrated cash-flow solutions may instead get products that do not match how they run their companies. The result can be weaker product fit and lower relationship depth than the institution could otherwise achieve.

The research also shows that the value of SMB relationships varies meaningfully by region. In Europe and Latin America, small businesses can generate roughly seven to 11 times more revenue than consumers, while in Asia Pacific the multiplier is closer to 1.2 times. Those differences can matter for fintechs, issuers, and banks shaping acquisition and product strategy.

A single global playbook is unlikely to capture the full opportunity. Institutions need market-specific approaches grounded in local economics, customer behavior, and portfolio realities.

SMB revenue potential is shaped by local factors, such as the structure of the small and medium enterprise base, levels of digital acceptance, cash usage, regulatory conditions and broader macroeconomic trends.

As a result, the most effective strategy will vary by market maturity and competitive landscape, but the underlying opportunity is consistent: institutions need to identify high-value small businesses earlier and serve them as businesses, not as consumers with higher spending patterns.

A PRACTICAL PATH FORWARD

The research points to three priorities for institutions that want to unlock more value from SMB relationships already inside their portfolios:

1. **Identify hidden SMBs more precisely** by using data and segmentation to find business owners currently treated as consumers and building better visibility across business and personal relationships.
2. **Lead with the right entry products** by offering solutions that reflect business-specific needs such as higher limits, employee cards, richer controls and tailored cash-flow tools. Success depends on aligning product design with real SMB use cases.
3. **Build a more complete relationship** by connecting business and personal financial needs in ways that make money movement, credit access and cash management easier to navigate.

For fintech and payments companies, this can create a clear opportunity to help issuers and financial institutions recognize hidden SMBs earlier and serve them with more relevant products. For banks, it is a reminder that some of the most valuable growth opportunities may already be in the portfolio, waiting to be identified and developed.

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About the Multiplier Effect: 2026 Visa Small Business Banking Report

The report is based on research conducted by Visa with KoreFusion, including responses from more than 5,600 small business owners and senior managers in 17 markets, and 73 interviews with small business banking leaders across five regions. To download the full report and explore the findings, visit https://globalclient.visa.com/smb-multiplier.