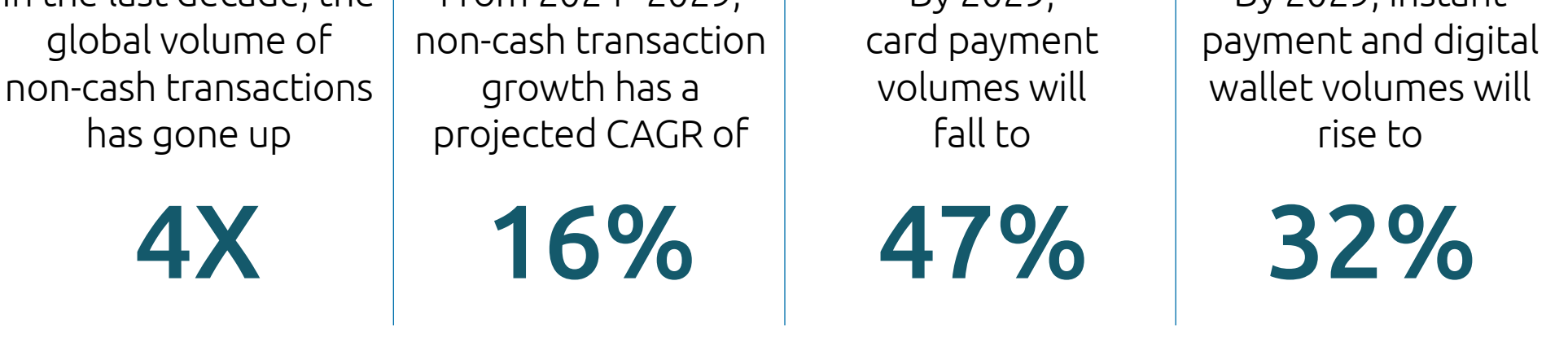


The (not-so) silent takeover:

Winning back merchants means playing differently



The global payments landscape is being transformed



Source: Capgemini World Payments Report 2026

As merchants' needs change, can banks catch up?

Merchants have different priorities depending on their size, with a keen focus on:

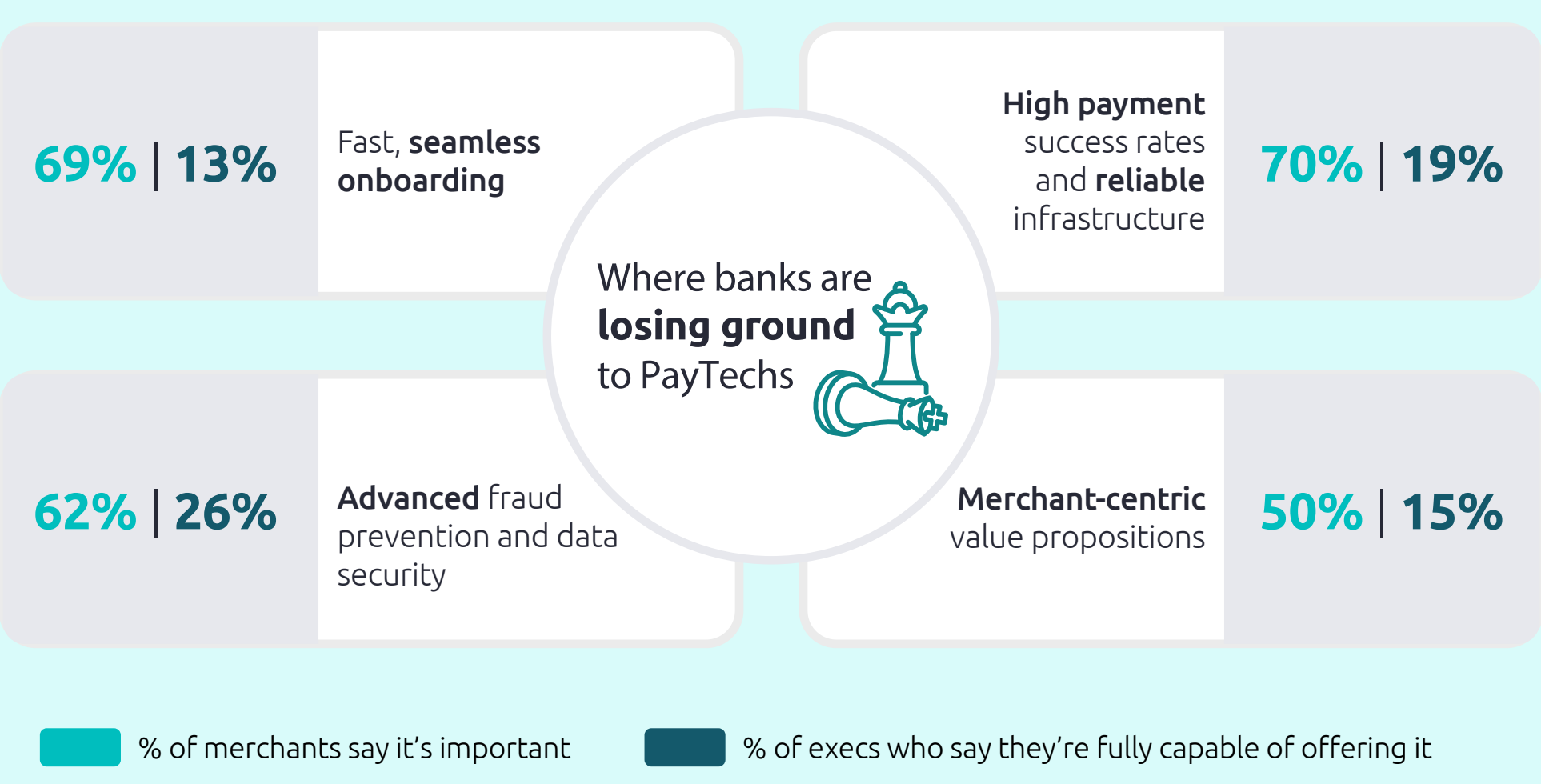
Operations



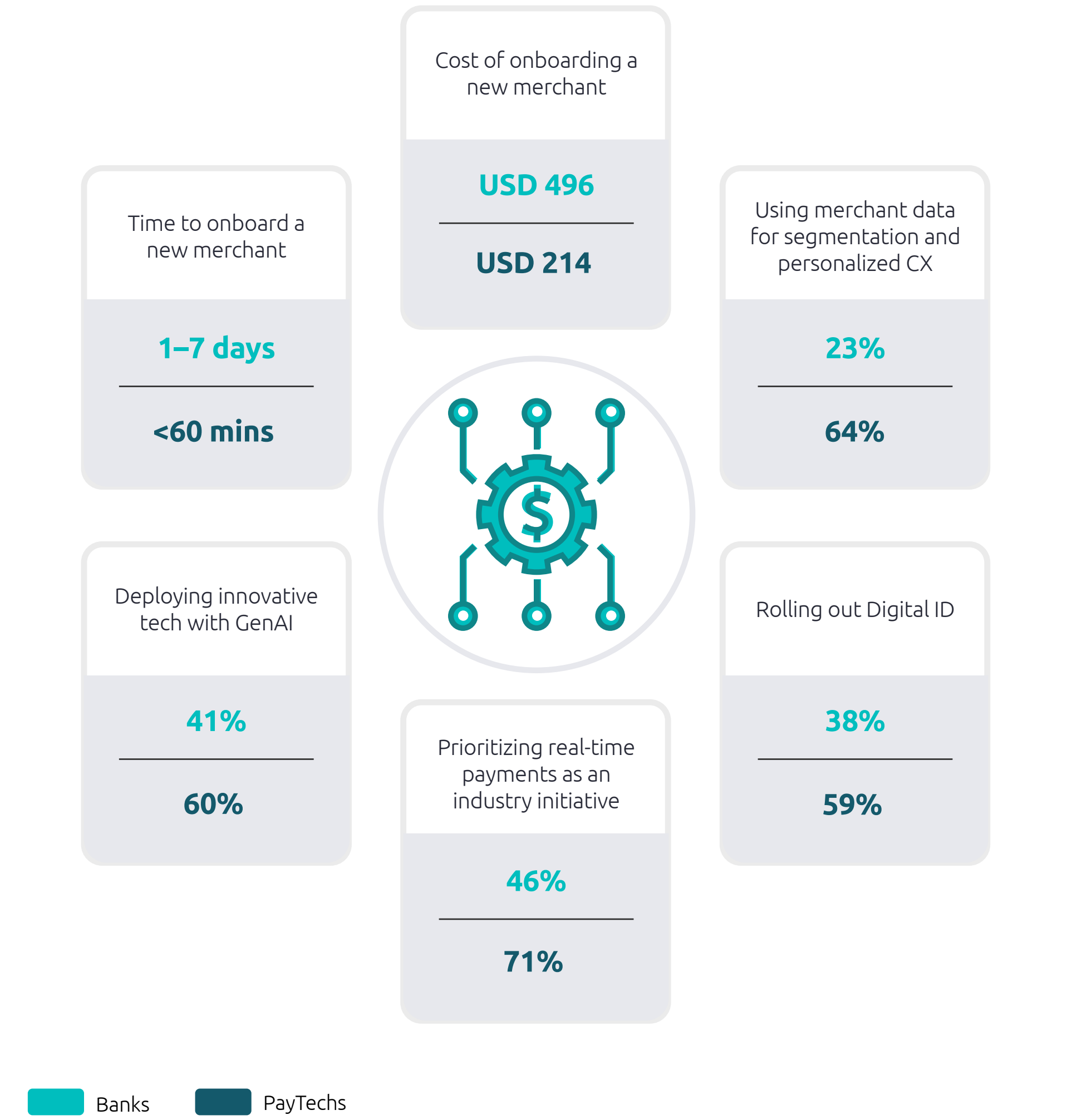
Efficiency



Experience



PayTechs surge forward: The story in numbers



As payments shift, banks must shift their focus with it

- Foundational reliability
- Strategic expansion
- Future-driven innovation
- Intelligent optimization

Recommendations: How banks can get back in the game



Refocus with clarity and move nimbly

Banks must compete where they're set to win

- Domestic in-store payments
- Domestic online payments
- Cross-border payments

Evaluate opportunities against robust criteria

- Current strengths and capability gaps
- Merchant segment access potential
- Risk and return
- Strategic alignment
- Partner and acquisition readiness



Choose the right business model

- Keep the business and invest for growth
- Form a strategic partnership or joint venture with a specialist
- Spin off or exit the merchant servicing business entirely



Build the right digital capabilities

- Simplify IT and scale up with a composable, modular core
- Power up services and UX with user-friendly, service-rich tools
- Unlock agility through standardized, plug-and-play APIs
- Expand merchant engagement by teaming up with PayFacs and ISVs
- Optimize onboarding and deploy payment orchestration



Capitalize on marketplace strengths

- Capture rich merchant intelligence at every step
- Activate data for smarter decision-making
- Monetize insights by turning intelligence into tangible business results

68% of merchants trust and prefer banks for their financial services needs

- **78%** cite banks' strong brand reputation
- **74%** value higher levels of regulatory compliance and robust security
- **49%** point to stability and long-term market presence
- **46%** appreciate the broader suite of available financial products

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