



Assessing the Global Payments Landscape

The emerging trends, challenges and dynamics defining the industry in 2026

Industry insights from
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Think you understand payments in 2026?

Think again... the landscape is more complex than you realize.

There has been as much innovation, disruption, consolidation, and competition in the payments industry over the past decade as in any other sector, except perhaps AI... though with the rise of agentic commerce, those distinctions are blurring. For global businesses, this environment presents both opportunities and obstacles. The inefficiencies that once seemed endemic to payment operations, like lengthy settlement times, high processing costs, and fragmented regional requirements, are the remnants of legacy systems and no longer need to define how enterprises manage transactions.

Yet despite all the progress made in recent years, challenges remain. Companies managing international operations deal with foreign exchange volatility, varying regulatory requirements, and diverse regional operating environments. There's an array of new payment rails to navigate, shifting consumer preferences to meet or manage, and technological developments to learn and master. All necessitate sound guidance and smart partners.

The best way to start is by examining the trends shaping global payments in 2026. From the accelerating popularity of account-to-account (A2A) transfers to the maturation of buy now, pay later (BNPL); from the emergence of agentic commerce to the global expansion of super apps; from regional divergences in payment behavior to the surge in mergers and acquisitions that is redrawing the competitive landscape, this year is set up to be a consequential one for global payments. For enterprises that operate across borders and industries, particularly in complex sectors such as retail and travel, understanding these trends is essential to staying competitive.



Mastering the 2026 payment landscape starts with examining the trends shaping global payments.

Card Cutting: The Surge in Account-to-Account Payments

Let's start with A2A payments, which transfer funds directly between bank accounts without card network intermediation, and are capturing a growing share of transaction volume worldwide. The dominance of card networks, which have defined payments for decades, is facing a serious challenge yet from this increasingly popular payment method.

[McKinsey's Global Payments Report](#) notes that lower-yield A2A rails are reaping a growing share of global payments revenues, especially in Europe. This has profound implications for payment economics (both micro and macro) and for enterprises that have built their payment strategies around card acceptance.

The appeal of A2A payments to consumers and businesses is straightforward: they typically incur lower transaction costs than card payments, settle faster, and reduce the fraud exposure that comes with sharing card credentials. For merchants operating on thin margins, particularly in sectors like travel, where high-value transactions make interchange fees especially painful, the potential savings are substantial.

Europe has led this shift, driven in part by the revised [Payment Services Directive](#) (PSD2), which required banks to open their payment infrastructure to third-party providers. The Continent's embrace of open banking has enabled a new generation of fintech startups to offer consumers the option to pay directly from their bank accounts at checkout.



A2A is no longer an alternative. It is a competitive necessity.

But the A2A trend extends well beyond Europe. Brazil's Pix system, launched in 2020, now processes more transactions than credit and debit cards combined in that market. Thailand's PromptPay, Singapore's PayNow, and similar instant payment systems across Asia have demonstrated that when A2A infrastructure is fast and reliable, consumers readily adopt them. For global enterprises, this proliferation of A2A creates both opportunity and complexity. The potential for cost savings and faster settlement is an obvious advantage. But managing connections to dozens of

different payment systems, each with its own technical specifications, regulatory requirements, and consumer adoption patterns, can be complex. The strength and persistence of the trend toward A2A suggest that supporting these payments isn't an either-or proposition for merchants; enterprises that don't will find themselves paying more per transaction than their competitors.

BNPL Settles in for the Long Haul

Five years ago, BNPL was the most talked-about trend in payments. Today, BNPL has succeeded so thoroughly that it is no longer a topic of conversation. The option to split purchases into installments is now an expected part of the digital shopping payment experience, and it's not going anywhere.



BNPL is expected & embedded



53.6 million consumers took out a BNPL loan in 2023, up 12% YoY

A [February 2026 brief](#) by the Federal Reserve Bank of Richmond indicates that the total transaction value of BNPL loans has grown roughly 20 percent per year since 2021, reaching an estimated \$70 billion in 2025, or about 1.1 percent of total credit card spending. While the explosive growth rates of BNPL's early years have moderated, the category has established itself as a permanent fixture in consumer finance.

The maturation of BNPL, however, carries implications beyond consumer lending. For merchants, offering installment options has shifted from a competitive advantage to a baseline expectation. Consumers, particularly younger ones who came of age during BNPL's rise, now expect the option to spread payments over time, regardless of the purchase category or amount.

This expectation creates challenges for enterprises that haven't integrated BNPL into their payment stacks. In sectors like travel, where average transaction values are high, and the gap between booking and

consumption can span months, installment options can be the difference between a completed booking and an abandoned cart. A family planning a vacation may no longer expect to be compelled to pay for all their flights, hotels, and activities on a single card in a single transaction.

Limited BNPL choice risks lost sales as consumers shift to brands offering their preferred service.

The BNPL landscape itself has evolved. The independent providers that pioneered the category, like Flex Pay by Upgrade, Klarna, Affirm, and Afterpay, have been joined by card networks, banks, and digital wallets offering their own installment products. Apple Pay Later launched and was then discontinued, with Apple instead [partnering](#) with Affirm. Competition has intensified, pushing providers to differentiate through extended repayment terms, broader merchant acceptance, and integration with other financial services.

For enterprises, this proliferation of BNPL options means offering installment payments is no longer simply a matter of integrating with a single provider. Consumers have preferences about which BNPL service they use, often based on existing credit lines,

app familiarity, or rewards programs. Offering only one BNPL option risks losing sales to competitors that offer the consumer's preferred service.

Agent Provocateur

If BNPL has become an expected and integral part of every payment stack, another new technology is poised to upend those stacks altogether. In 2025, generative AI proved that agentic commerce was possible, as AI chatbots demonstrated the ability to research products, compare prices, and complete purchases on behalf of consumers. Will 2026 be the year agents begin managing transactions on behalf of consumers en masse?

The accelerating development of (and investment in) infrastructure supporting agentic commerce suggests that it might be. Google's new [Universal Commerce Protocol](#), announced in late 2025, creates standards for AI agents to interact with merchant systems. The protocol defines how agents should authenticate, communicate payment preferences, and handle exceptions such as out-of-stock items or price changes.

Yet the adoption curve remains uncertain. While the technical foundations for agentic commerce exist, most brands and travel merchants remain focused on using AI for efficiency and back-end operations rather than truly agentic front-end experiences. The AI investments commanding executive attention in most

enterprises involve cost reduction, like automating customer service, optimizing pricing, and streamlining operations. Optimizing front-end sales channels to accommodate AI agents completing purchases on consumers' behalf is not yet a widespread priority.

The travel sector, with its complex products, dynamic pricing, and high consumer expectations, offers a compelling case for this hesitation. A flight booking, for example, involves seat selection, baggage options, loyalty program integration, and itinerary coordination. How should an airline approach exposing those options to an AI agent? How can a traveler trust that agent to handle those selections and transactions accurately?

When AI agents become the primary interface, they control the payments, and flexibility will favor the businesses that adapt early.

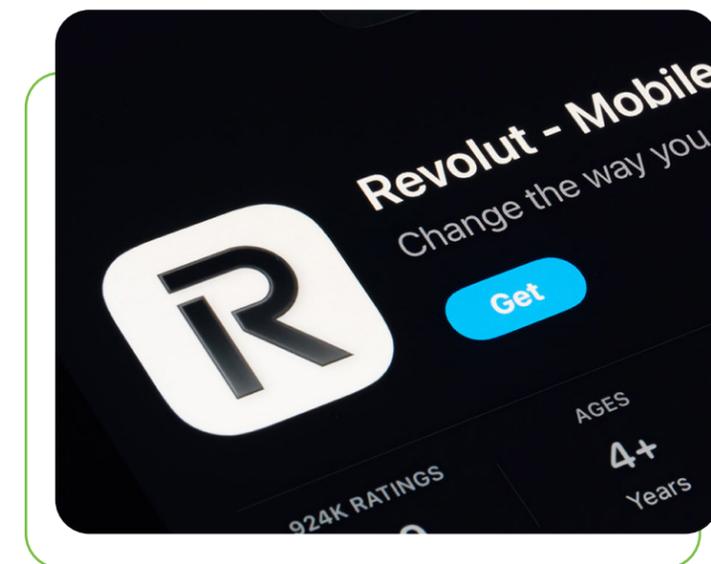
For payment providers, agentic commerce represents a new category of transactions and the threat of disintermediation. If AI agents become the primary interface between consumers and merchants, they will also become the gatekeepers for payment selection. An agent that defaults to the lowest-cost payment method for every transaction could shift volume away from cards and toward other alternatives.

The wise approach for enterprises is to monitor agentic commerce developments closely without betting their payment strategies on rapid adoption. The technology will continue to mature, the protocols will become more standardized, and consumer comfort with AI-directed purchases will grow. When the tipping point arrives, enterprises that have maintained flexible payment infrastructure will be better positioned to adapt than those locked into rigid systems.

Super Apps Subsume the Fintech Sphere

Agentic commerce may be the future, but super apps, once considered a phenomenon confined to China and other Asian markets, have grown to a scale and scope that commands attention today. What began as messaging platforms or payment apps has expanded into comprehensive financial services ecosystems that

rival traditional banks in functionality. In fact, some super apps are becoming banks themselves. Revolut, the U.K.-based financial app, now [plans to start](#) its own standalone U.S. bank, completing the company's journey from a currency exchange app for travelers to a prospective banking license holder.



With features spanning payments, investing, cryptocurrency trading, insurance, and travel booking, Revolut has accumulated over 40 million users who conduct an increasing share of their financial lives within a single app.

Klarna, having established itself as the dominant BNPL provider in several markets, has enabled instant peer-to-peer payments in [13 European nations](#). The move signals Klarna's evolution from a lending product to a broader payments platform. By handling the social payments that consumers previously conducted through Venmo, Cash App, or bank transfers, Klarna embeds itself more deeply into daily financial behavior.

Consumers who live within super app ecosystems expect to pay using their app balance or linked accounts, making it necessary for merchants to accept these payment methods. The challenge is that super apps are not standardized; each operates its own payment rails, has its own API specifications, and serves different geographic markets with different features.

An enterprise seeking comprehensive super app coverage might need to integrate with WeChat Pay and Alipay in China, Revolut and Klarna in Europe, Cash App and Venmo in the United States, and myriad other apps in other markets. Or an enterprise can seek out

Customer now
5 Night Stay, Punta Cana
\$2500 budget

AI agent ★ ★
Here's a 5-star option within budget. Order?

Enterprises should monitor agentic commerce developments closely, but rapid adoption is uncertain.

payment partners or develop an orchestration layer to manage connections to multiple super apps without having to build and maintain each integration independently.

Regional Differences in Payment Trends

That kind of partnership can also help enterprises manage regional variations in payment behavior, infrastructure, and growth trajectories with effective localized strategies. And those variations can be striking.

In Latin America, for example, digital payment revenue grew by **11%**, outpacing all other regions. This growth reflects both economic expansion and the continued formalization of economies where cash historically dominated. Brazil's Pix system has been transformative, but other Latin American markets are following similar paths toward instant payment infrastructure. Europe, the Middle East, and Africa (EMEA) saw payment revenue increase by 8%, driven by a combination of open banking adoption, A2A growth, and continued card volume expansion. North America, the most mature payments market, grew by 5%.

Payments revenue growth by region:



The most notable digital payments market globally remains India, where Unified Payments Interface (UPI) facilitates over **20 billion transactions each month** and accounts for 84% of India's digital retail payments. The scale is staggering: UPI processes more transactions monthly than most payment systems handle in a year. For any enterprise with operations or ambitions in India, UPI integration is not optional.

These regional variations extend beyond payment method preferences to include regulatory approaches, consumer expectations around speed and convenience, and tolerance for payment failures. Payments that

succeed in one market may fail in another due to local authentication requirements, preferred currencies, or regulatory restrictions, and enterprises need either the internal expertise to manage regional variations or partnerships with providers that bring that expertise.

Variability in the Regulatory Environment

The regulatory landscape for payments in 2026 is characterized by uncertainty and divergence across jurisdictions. In some markets, changes in banking capital requirements, such as [recent easing in the U.S. and the U.K.](#), could support further M&A activities across financial services sectors.

In the U.S., the [Credit Card Competition Act](#) and [competing legislation](#) designed to roll back card fee limits demonstrate the uncertainty in regulatory direction. In Europe, a new Payment Services Regulation (PSR) and a revised [Payment Services Directive](#) (PSD3) are set to take effect this year, requiring merchants to comply with new fraud and consumer protection rules, which may expand opportunities for non-bank payment service providers (PSPs). Staying apprised and prepared for these developments is critical for brands and merchants operating in different global regions.

M&A Accelerates, Revealing Sector Competence Gaps

The payments industry is experiencing a sustained wave of mergers and acquisitions as companies pursue scale, geographic expansion, and broader capabilities. Global fintech companies attracted \$116 billion in total investment, up from \$95.5 billion in 2024, according to KPMG International's [Pulse of Fintech H2 2025](#).

This trend appears to be continuing in 2026, as payments infrastructure firm Juspay recently completed an additional **\$50M funding round**, pushing its valuation over \$1 billion. PwC [predicts](#) that payment providers will continue to attract M&A interest through 2026.

The continued expansion of M&A activity is a double-edged sword for both market participants (fintechs, PSPs) and the enterprises they serve. Larger payment providers, for instance, may offer more comprehensive services and stronger financial stability to merchants.

But consolidation can also reduce competition, increase prices, and create integration headaches when a preferred provider is acquired and its systems are migrated.

M&A can quickly expose costly gaps when payment providers lack the sector specific expertise required for complex transaction environments.

More importantly, M&A activity often reveals gaps in sector competence. A payment company with deep expertise in retail may acquire a competitor that primarily serves the travel industry, only to discover that travel payments involve complexities that retail transactions do not. Split payments across multiple suppliers, multi-leg itineraries, cancellation and refund handling, and regulatory requirements that vary by route and destination are likely to be completely outside of the retail payment provider's frame of reference. The same principle applies across other specialized verticals, from healthcare to marketplaces to subscription services.

For travel enterprises evaluating payment partners, this argues for careful due diligence. A provider's current capabilities matter less than its trajectory and focus. Is travel a core vertical for the provider, or a peripheral market served as an afterthought? When the provider's parent company sets priorities, will travel-specific development receive attention, or will it be deprioritized in favor of larger verticals?

As more enterprises buy their way into payments through acquisitions, these limitations become more glaringly apparent. A travel merchant must be confident that their payment partner is fluent in their industry. And a full-service payment provider that wants to process or accept travel payments must understand the sector's complexities or partner with an expert who does.

The payments landscape in 2026 is more complex than at any point in its history. A2A payments are challenging card dominance, and BNPL has matured from novelty to expectation. Agentic commerce lurks as a potentially genuine sea change. Super apps are expanding beyond their original markets while regional variations are demanding increasingly localized strategies. M&A is reshaping the competitive landscape.

The secret to managing the complexity of the current global payments environment is embracing flexibility, expertise, and the right partnerships. Capturing the opportunities this moment presents demands partners who understand the specific complexities of each sector and each market. In payments, as in so many things, the difference between success and struggle often lies in finding the right expert, the right advice, and the right partner for the task.

UATP can be that partner for your enterprise. [Find out how](#) by talking to one of our experts today.



The UATP Advantage

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