FINTECHS TAP EMBEDDED PAYMENTS TO **DEEPEN CUSTOMER RELATIONSHIPS**

February 2026 Data Brief

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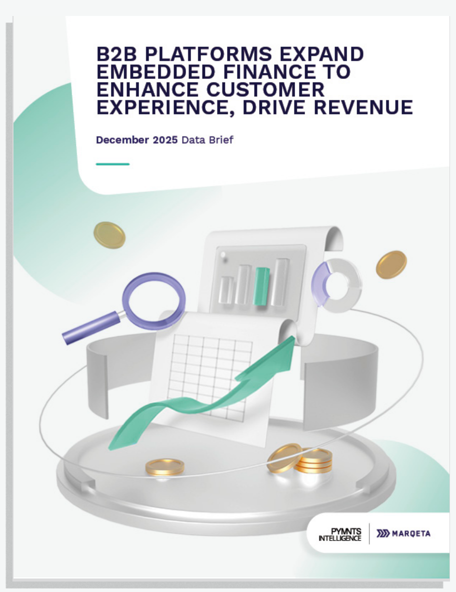

December 2025

B2B Platforms Expand Embedded Finance to Enhance Customer Experience, Drive Revenue

PYMNTS INTELLIGENCE | MARQETA

FinTechs Tap Embedded Payments to Deepen Customer Relationships was produced in collaboration with Marqeta, and PYMNTS Intelligence is grateful for the company's support and insight. PYMNTS Intelligence retains full editorial control over the following findings, methodology and data analysis.

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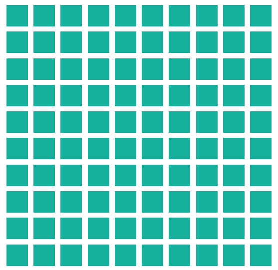
WHAT'S **AT STAKE**

Embedded finance is proving to be a key competitive differentiator for financial technology companies. From robo-advisors, neobanks and payment and lending apps to blockchain and crypto exchanges, FinTechs are braiding payments, lending, investing and other financial functions into their digital ecosystems. That seamless integration is redefining how value is created, sustained and grown. The ability to weave payment functionality into existing banking, lending or investment services allows these companies to expand their financial ecosystems, creating more comprehensive relationships with customers and increasing their lifetime value.

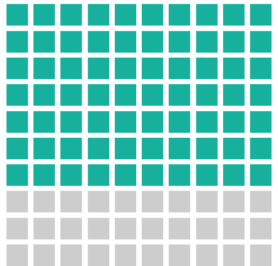
100%



of financial services organizations surveyed currently have **embedded finance capabilities.**

Beyond deepening engagement, embedded finance unlocks powerful new revenue opportunities. By capturing interchange income and enabling the cross-selling of complementary products, financial services providers are using the technology to move beyond traditional fee-based models toward more diversified data-driven revenue streams. Embedded payments, in particular, are helping transform what is a commoditized service into a differentiated, modern experience built around real-time insights, instant money movement and flexible payment options.

At the same time, embedding financial capabilities requires thoughtful scaling and strategic execution. Balancing innovation with compliance, operational efficiency and strong cross-functional collaboration is key to sustaining success. Done effectively, embedded finance allows FinTechs to deliver modern, data-driven experiences that not only enhance customer satisfaction but also strengthen the foundation for long-term profitability and resilience in a rapidly evolving digital economy.



70%

of financial services organizations view embedded finance as a **key way to improve the customer experience.**

These are just some of the findings detailed in FinTechs Tap Embedded Payments to Deepen Customer Relationships, a PYMNTS and Marqeta collaboration. This edition examines how embedded finance drives growth, efficiency and customer loyalty in the financial services industry, defined as including financial technology firms focused on payments, lending, digital banking (including neobanks), investments and wealth management, blockchain and crypto exchanges, personal finance and crowdfunding. It excludes traditional banks and credit unions. It draws on insights from a survey of heads of payment at 30 FinTechs conducted in July 2025.

This is what we learned.

KEY FINDINGS

01

REVENUE BOOST

All FinTechs have embedded at least some finance capabilities, and most are using them to reduce churn and boost revenue.

57%

of FinTechs use embedded finance capabilities to increase revenue.

02

KNOW YOUR CUSTOMERS

Embedded finance proves to be a key differentiator, driving competitive advantage and customer growth by improving visibility into customers.

60%

of financial services organizations view embedded finance as a way to enhance customer insights.

03

SUCCESS FACTORS

With embedded finance tools, FinTechs need to scale smartly, not just scale up.

46%

of FinTechs look to well-defined revenue models as a factor in embedded finance success.

THE FULL STORY

FinTechs' universal adoption of at least one embedded finance tool is helping them drive growth and competitive differentiation. But not all are leverage existing tools to their full potential or offer a full menu of capabilities.

FinTechs have some embedded finance capabilities, and most are using them to reduce churn and boost revenue.

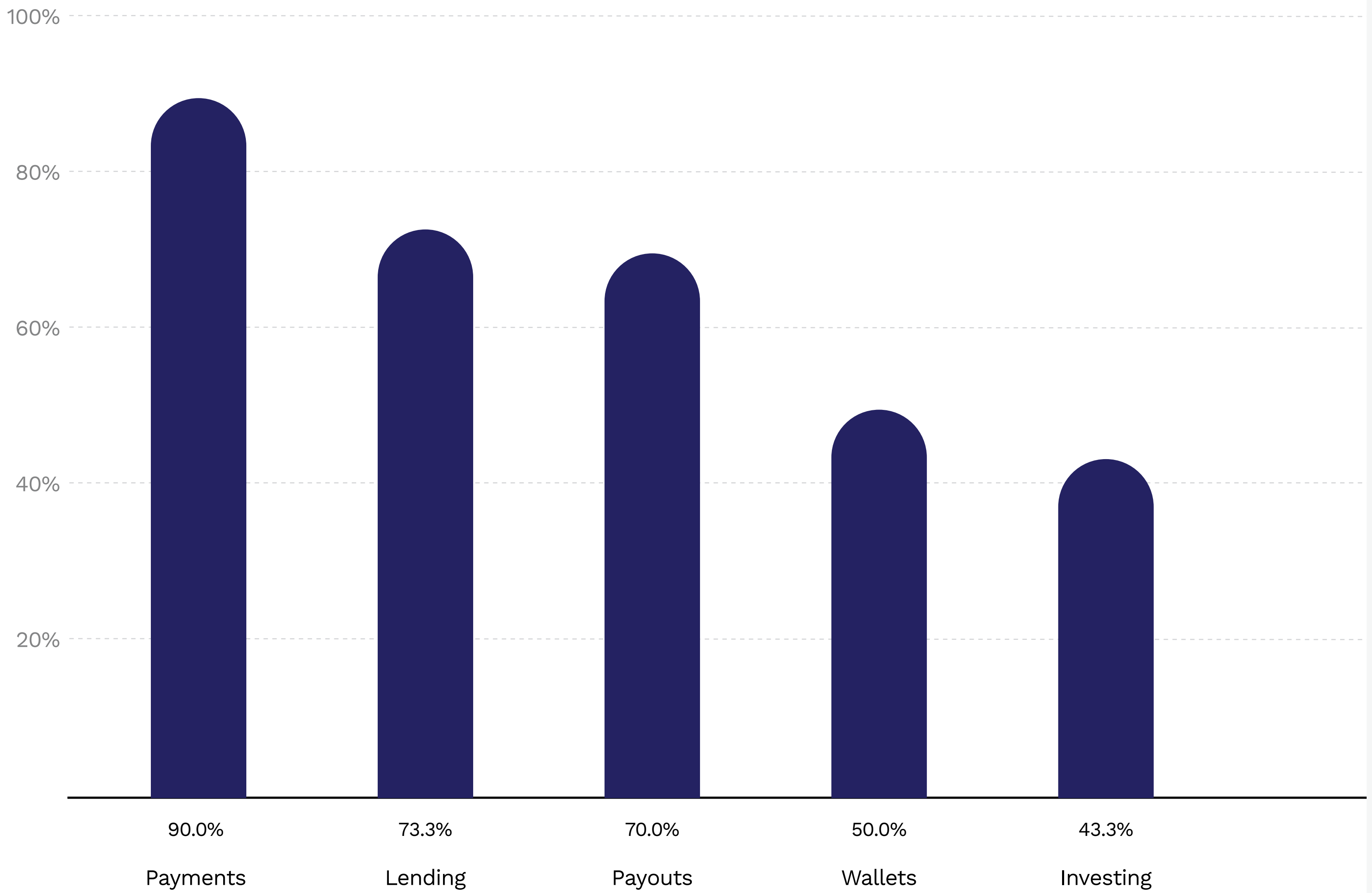
Each of the 30 FinTechs surveyed reported that it offers some embedded finance solutions. The most common one is embedded payments, with 90% of these companies providing that capability. Embedded payment tools serve as the entry point for most institutions integrating other financial capabilities into their operations or customer experiences.

Other solutions with strong penetration include lending (73%) and payouts (70%), while digital wallets (50%) and investing capabilities (43%) trail behind, highlighting clear areas for future expansion.

FIGURE 1

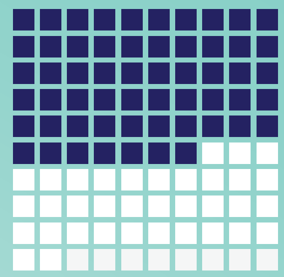
FinTechs' embedded capabilities

Selected capabilities embedded in operations or customer experiences



Source: PYMNTS Intelligence
FinTechs Tap Embedded Payments to Deepen Customer Relationships
N = 30: Whole sample, fielded July 2025

57%



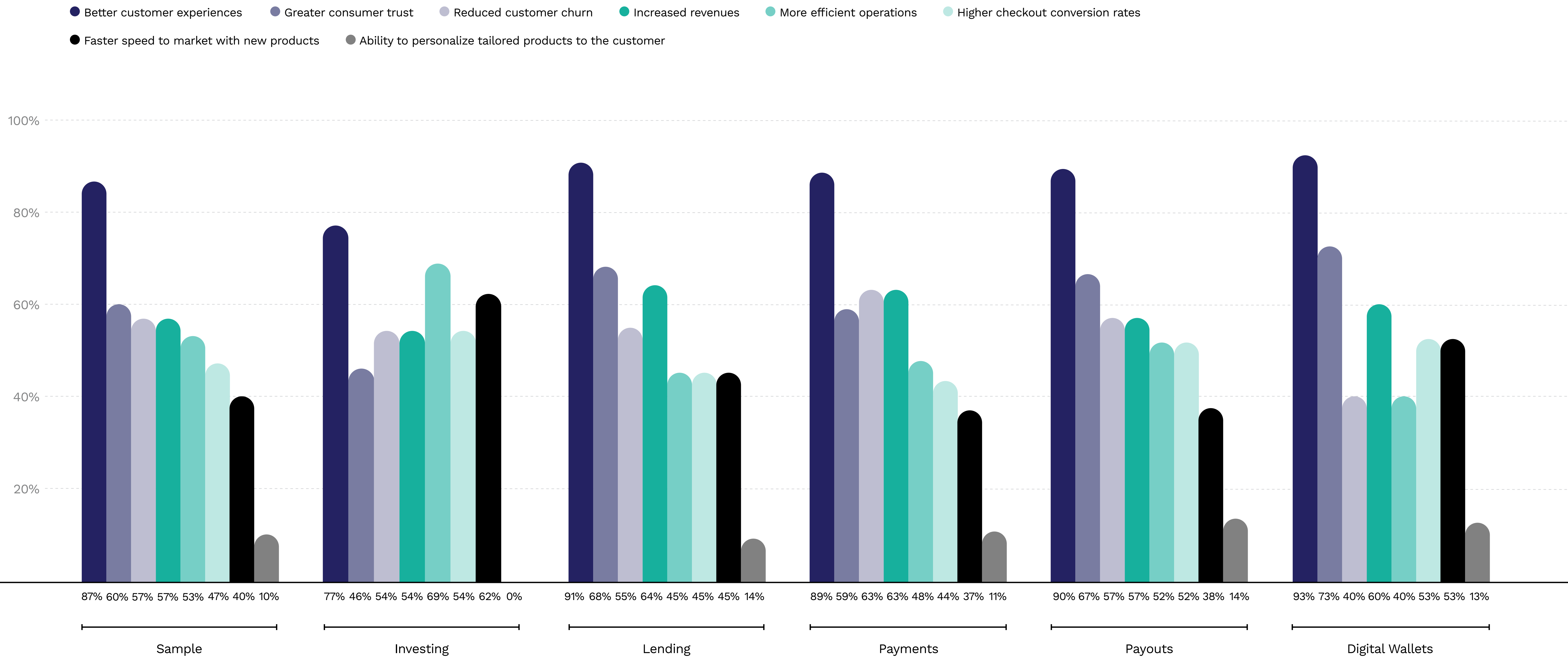
of FinTechs use embedded finance to **reduce customer churn and/or boost revenue.**

The majority of FinTechs see a range of benefits from offering embedded finance capabilities. Specifically, 87% deploy the technology to provide better customer experiences, and 60% use it to garner greater consumer trust. Nearly six in 10 (57%) wield it to reduce customer churn and/or increase revenues, and 53% deploy it to make operations more efficient. The wide adoption of embedded finance is clearly driven by its proven ability to deliver tangible improvements across the financial and operational health of these businesses.

FIGURE 2

Benefits of embedded finance

Share of FinTechs reporting the benefits of the specific capabilities they offer



Source: PYMNTS Intelligence

FinTechs Tap Embedded Payments to Deepen Customer Relationships

N = 30: Whole sample, fielded July 2025

Embedded finance proves to be a key differentiator, driving competitive advantage and customer growth.

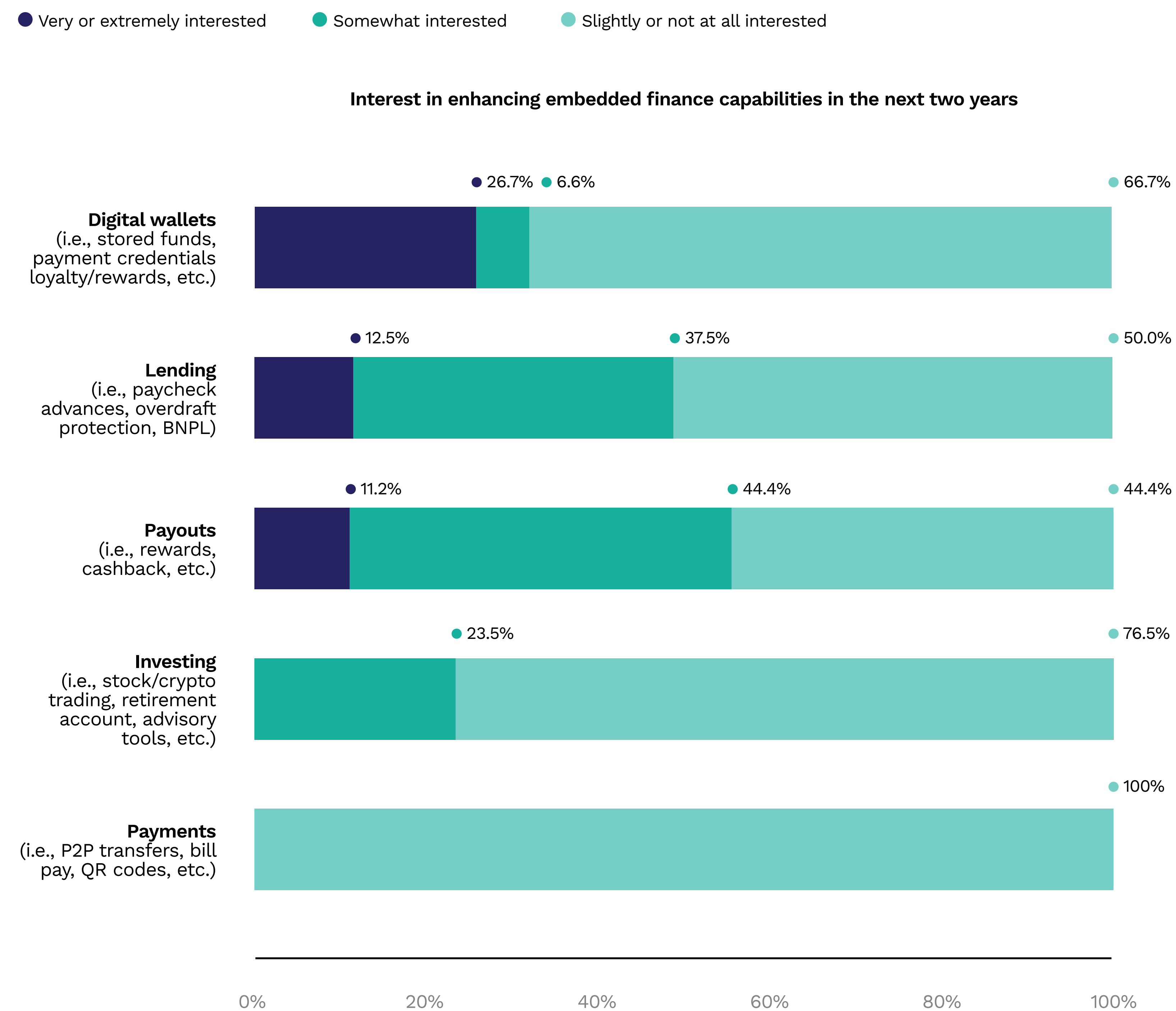
Digital wallets and embedded lending capabilities are proving to be strong drivers of innovation. Twenty-seven percent of FinTechs are very or extremely interested in adding digital wallets within the next two years, a greater share than said the same of any other capability. Additionally, 62% of FinTechs currently offering embedded investing express strong interest in enhancing that existing capability within the same timeframe.

In general, FinTechs are more interested in innovating with their existing solutions than in adding new capabilities. It seems that once they've seen the value of their embedded finance offerings, they want to deepen their investment, suggesting that their customers are demanding more.

FIGURE 3A

Interest in adding embedded finance capabilities

Share of financial services firms planning to add new capabilities across key embedded finance functions



Source: PYMNTS Intelligence
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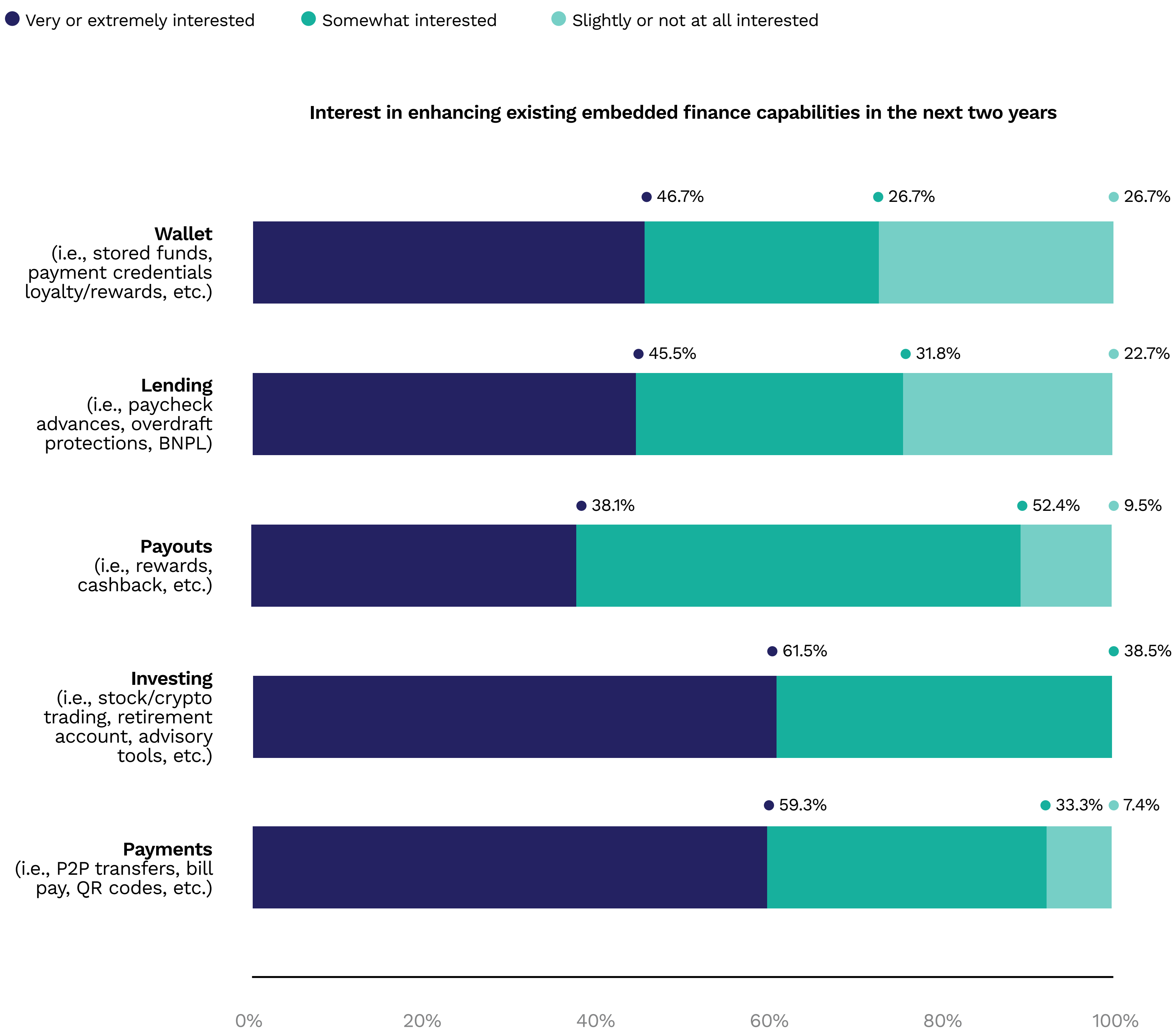
N = 30: Whole sample, fielded July 2025

FIGURE 3B

Interest in enhancing embedded finance capabilities

Share of financial services firms planning to enhance existing capabilities across key embedded finance functions



Source: PYMNTS Intelligence
FinTechs Tap Embedded Payments to Deepen Customer Relationships
N = 30: Whole sample, fielded July 2025

FinTechs see many reasons to prioritize embedded finance innovation. Six in 10 are adding or improving their embedded finance offerings to unlock enhanced customer data and insights. The same share reports doing so to differentiate themselves from the competition. Seven in 10 firms are innovating to improve the customer experience. Streamlining operations and reaching new customers are also common drivers. It is clear that embedded finance innovation is a strategic imperative for these firms as they seek to enhance customer value, gain a competitive edge and drive operational efficiency.

FIGURE 4

Reasons behind embedded finance capabilities
Share of firms identifying each factor overall and the specific embedded capabilities they offer

	Sample	Current capabilities				
		Payments	Lending	Payouts	Investing	Digital Wallets
Improve customer experience	70%	81%	73%	70%	54%	73%
Enhance data and customer insights	60%	71%	64%	63%	46%	60%
Create competitive differentiation	60%	62%	73%	63%	62%	60%
Streamline our operations	57%	52%	59%	59%	77%	40%
Ability to serve new customers	53%	57%	55%	52%	38%	67%
Open up new revenue opportunities	47%	43%	50%	52%	38%	47%
Increase customer retention and engagement	43%	48%	45%	44%	38%	47%
Reduce costs	37%	43%	32%	30%	31%	47%
Improve transaction conversion rates	37%	33%	36%	37%	38%	40%

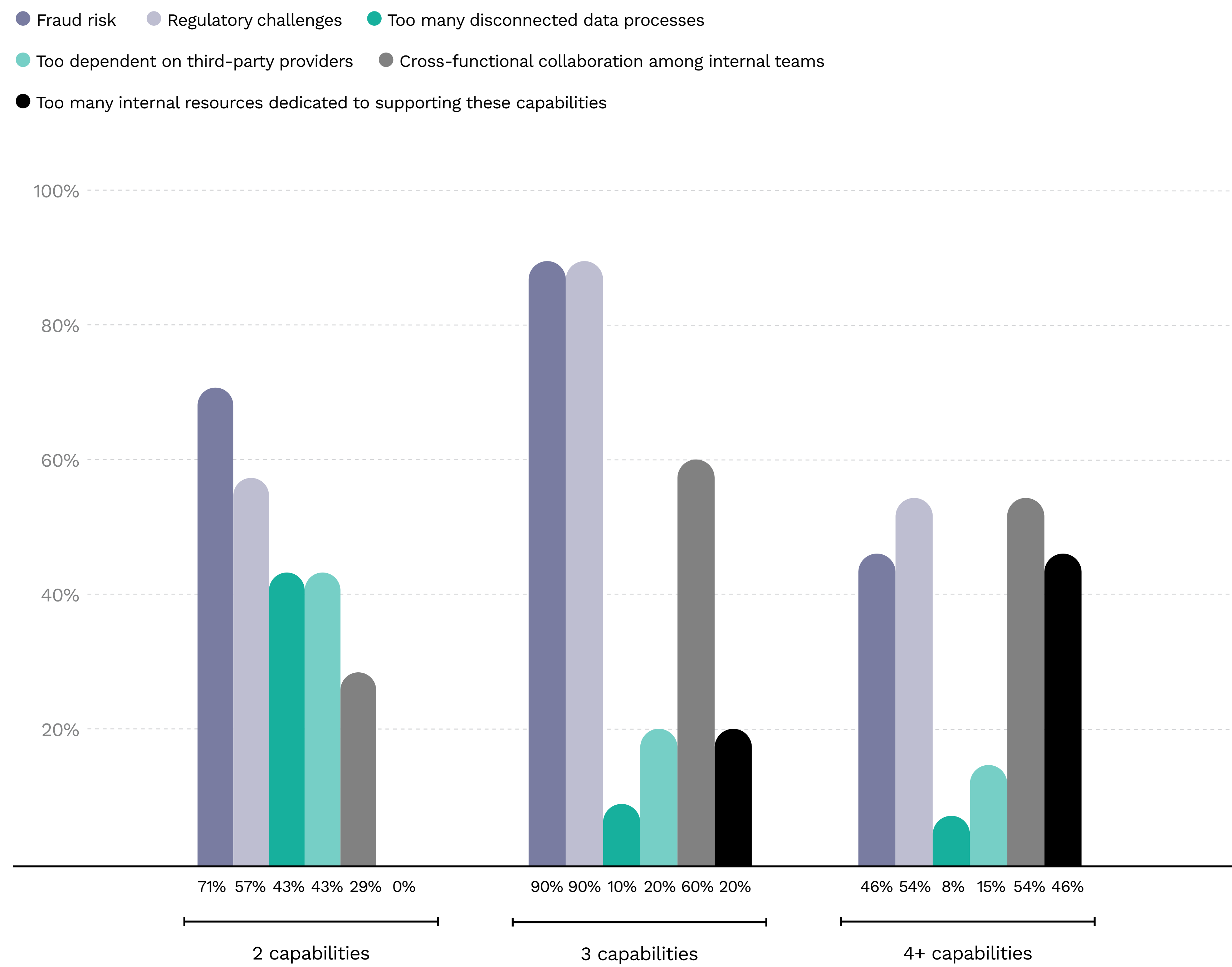
Source: PYMNTS Intelligence
FinTechs Tap Embedded Payments to Deepen Customer Relationships
N = 30: Whole sample, fielded July 2025

It is essential for FinTechs to scale smartly, not just scale up.

Embedded finance innovation comes with its own risks, so it is key for businesses to scale their offerings thoughtfully and carefully. Most businesses with two or three embedded finance capabilities report facing fraud risks and regulatory challenges. Additionally, 54% of those with four or more capabilities are seeing difficulties collaborating among internal teams across different functions. Nearly half (46%) report that too many internal resources are dedicated to supporting their capabilities. It is evident that as FinTechs expand their embedded finance offerings, the nature of the challenges they encounter shifts from external risks to internal strain.

FIGURE 5

Challenges of embedded finance
Share of firms reporting each challenge, segmented by the number of embedded finance capabilities they currently offer



Source: PYMNTS Intelligence
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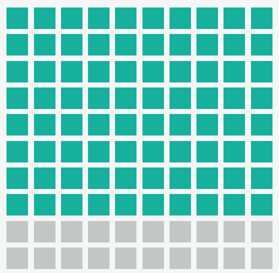

80%

of FinTechs regard strong regulatory compliance as **defining their success with embedded finance tools.**

Given these obstacles, it is essential for FinTechs to keep their eye on the ball and stay focused on the factors they see as driving success. Eight in 10 businesses see strong regulatory compliance as important to the effectiveness of their embedded finance innovation. Additionally, well-defined revenue models and strong-cross functional working relationships represent important success factors for approximately half of FinTechs.

The most significant success factors can vary depending on the embedded finance solution in question. For firms offering embedded investment capabilities, the more important success factor is measurable return on investment.

FIGURE 6

Factors defining embedded finance success

Percentage of financial services firms identifying each requirement, shown overall and by current embedded capabilities

	Sample	Current capabilities				
		Payments	Lending	Payouts	Investing	Digital Wallets
Strong regulatory compliance	80%	85%	91%	81%	81%	80%
Strong risk management capabilities	53%	38%	55%	52%	62%	60%
Core technology that supports integration	53%	54%	50%	48%	48%	47%
Well-defined revenue model	50%	38%	55%	52%	57%	53%
Strong cross-functional working relationship	47%	38%	50%	48%	57%	53%
Well-defined use cases that customers want	43%	31%	45%	48%	43%	40%
Available third-party providers	33%	23%	41%	33%	43%	47%
Measurable ROI	30%	46%	18%	30%	24%	20%

Source: PYMNTS Intelligence
FinTechs Tap Embedded Payments to Deepen Customer Relationships
N = 30: Whole sample, fielded July 2025

ACTIONABLE INSIGHTS

01

FinTechs' universal adoption of embedded finance underscores its strategic value in enhancing financial ecosystems and deepening customer relationships. With embedded payments leading as the most common capability, FinTechs are expanding into lending and payouts to further strengthen customer engagement. The data shows that embedding financial services drives measurable outcomes: improved customer experiences, increased trust and reduced churn. Prioritizing seamless, integrated financial interactions can unlock new efficiencies while expanding diversified revenue streams and long-term customer value.

02

Embedded finance capabilities such as digital wallets and lending are becoming catalysts for innovation and differentiation. The strong intent to enhance existing solutions suggests a maturing market that values depth of capability over breadth of offerings. Strategic investment in these areas enables better access to customer data, sharper insights and more personalized financial experiences. By innovating continuously, FinTechs can strengthen competitive positioning, reach new audiences and elevate customer satisfaction in an increasingly integrated digital finance landscape.

03

As embedded finance ecosystems expand, sustainable growth depends on strategic scaling rather than rapid proliferation. Managing the balance between innovation and operational discipline is critical, as growth introduces new internal and regulatory complexities. Emphasizing robust compliance, clear revenue models and cohesive cross-functional collaboration ensures scalable success. Ultimately, embedding finance effectively requires not only technological capability but also organizational alignment, allowing FinTechs to drive measurable ROI and long-term resilience within their financial infrastructure.

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METHODOLOGY

FinTechs Tap Embedded Payments to Deepen Customer Relationships is based on a survey of heads of payment at 30 financial services firms conducted in July 2025. The report examines how embedded finance drives growth, efficiency and customer loyalty in the financial services industry.

THE PYMNTS INTELLIGENCE TEAM THAT PRODUCED THIS REPORT:

Lynnley Browning
Managing Editor

Matthew Albrecht, PhD
Senior Research Analyst

Javier Fik
Analyst

ABOUT

PYMNTS INTELLIGENCE

Pymnts Intelligence is a leading global data and analytics platform that uses proprietary data and methods to provide actionable insights on what's now and what's next in payments, commerce and the digital economy. Its team of data scientists include leading economists, econometricians, survey experts, financial analysts and marketing scientists with deep experience in the application of data to the issues that define the future of the digital transformation of the global economy. This multi-lingual team has conducted original data collection and analysis in more than three dozen global markets for some of the world's leading publicly traded and privately held firms.

MARQETA

Pick a lane: the reliability and scale of a legacy payments provider, or the breakthrough innovation of an emerging platform. Why not both? Marqeta is the modern card issuing platform that powers the world's most innovative payment programs. If they say you can't have it all, don't believe them. Our API-first infrastructure delivers what others force you to choose between, scale and agility, stability and flexibility, proven and groundbreaking. From fast-growing fintechs to Fortune 500 enterprises, leading companies trust Marqeta to power their consumer and commercial card programs. We've processed over $400 billion in total payment volume while maintaining enterprise-grade reliability, fast and configurable, safe and bold. Our single, end-to-end platform eliminates the complexity of managing multiple vendors and siloed systems. Launch diverse programs from debit and credit cards to virtual and prepaid solutions, all through one integration. Compliant and cutting-edge, we're certified in over 40 countries, enabling global expansion without compromise. Whether you're building loyalty programs that drive engagement or expense solutions that streamline operations, Marqeta provides the technical depth and operational expertise to execute ambitious payment strategies, at scale. With Marqeta, you don't have to compromise. Choose AND, not OR.