



Building and Scaling a Payment Service Provider

A Strategic Guide for PSPs in 2025



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Table of Content

**Key Drivers, Market Opportunities
& Challenges for Starting a PSP**

04

**Scaling an Established PSP:
Competitive Landscape and Market Potential**

08

**Market-specific Payment Methods
and PSP Development Strategies**

13

**The Role of Modern Payment
Technologies in PSP Growth**

16

**Owning vs. Leasing: Choosing
the Right Payment Infrastructure Strategy**

20

Real-life Case Studies

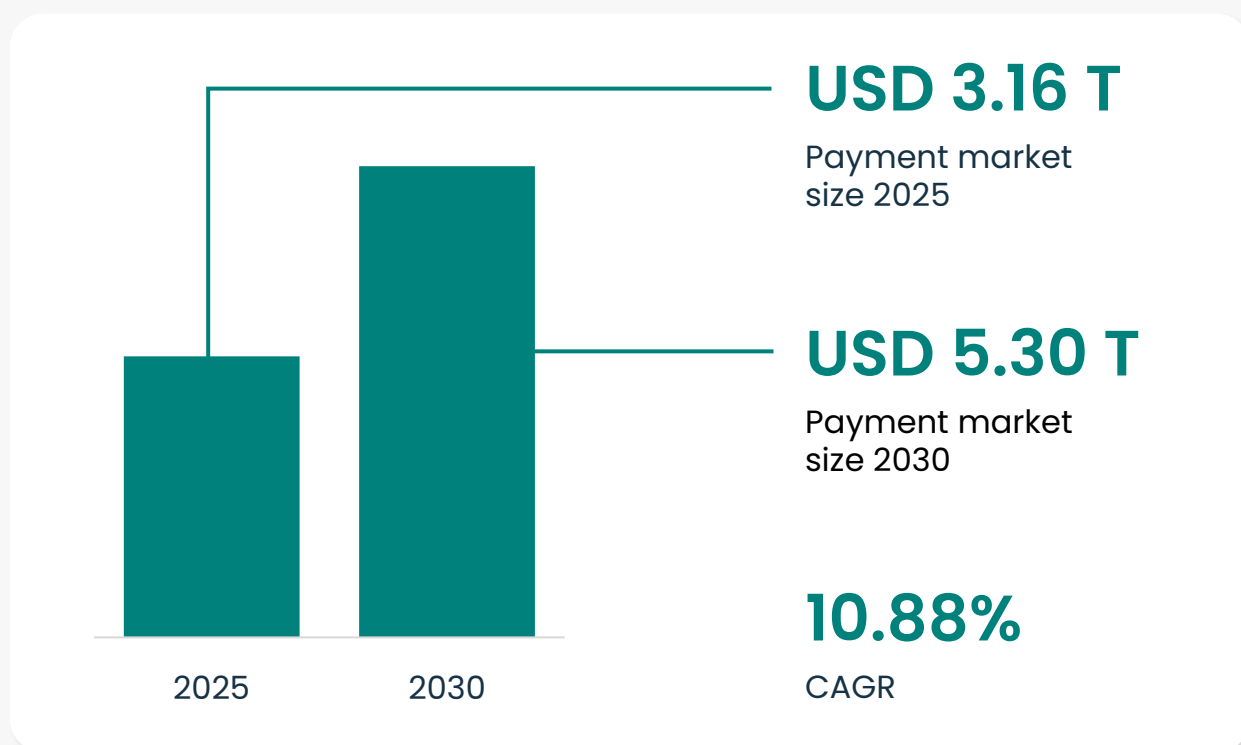
24

How Can Akurateco Help?

30

Introduction

The global payments industry is evolving at an unprecedented pace. According to [Mordor Intelligence](#), the Payments Market size is estimated at USD 3.16 trillion in 2025 and is expected to reach USD 5.30 trillion by 2030, at a CAGR of 10.88% during the forecast period (2025–2030).



Yet, launching or scaling a PSP is no easy task. Startups face significant hurdles — from obtaining the necessary licenses to building the right payment infrastructure. Meanwhile, established PSPs struggle with aging technology stacks, limiting their ability to scale, enter new markets, and offer innovative payment solutions. Whether you are launching a new PSP or scaling an existing one, success in 2025 will require strategic infrastructure decisions, the ability to adapt to market-specific demands, an understanding of regulatory complexities, and integration with the latest technologies to stay competitive.

This whitepaper was created by [Andrew Riabchuk](#), the Founder and CTO of [Akurateco](#), a global white-label payment software vendor with an established presence in Europe, North America, Latin America (LATAM), and the Middle East and North Africa (MENA) region. This whitepaper provides a comprehensive guide for PSPs at different stages of growth, leveraging over 20 years of Andrew's hands-on experience with online payments. It explores the key components of a modern payment infrastructure, market entry strategies, and real-life case studies demonstrating how PSPs have navigated industry challenges. Let's start at the beginning!

* Source: [Mordor Intelligence](#)

Key Drivers, Market Opportunities & Challenges for Starting a PSP

The global payment ecosystem presents significant opportunities for businesses looking to establish their own payment service provider.

Whether driven by a need to enter a booming fintech market, reduce reliance on third-party processors, capture new revenue streams, or serve a specific market segment, launching a PSP requires careful planning and a well-structured approach.

Key Drivers Behind the PSP Launch

Organizations and entrepreneurs venture into PSP development for various reasons. Some of them are:

01 **Entrepreneurs aiming to capitalize on the growing fintech market**

As the fintech sector has grown exponentially in the past decade, revolutionizing traditional financial services, entrepreneurs want to take advantage of the rising tide to get in on the ground floor of this booming market.

02 **Enterprises looking to internalize payment processing**

Large corporations often discover that outsourcing payments to third-party providers results in lost revenue and limited control over transaction flows. By launching their own PSP, they can optimize payment costs, improve transaction approval rates, and customize payment processes according to their business needs.

03 **Entrepreneurs exploring niche verticals**

Fintech innovators and independent sales organizations (ISOs) frequently identify gaps in the market where specialized payment solutions are required. Whether serving high-risk industries, subscription-based businesses, or specific regional markets, these PSPs position themselves as intermediaries between merchants and financial institutions.

04 **Referral businesses transitioning to full PSPs**

Many entrepreneurs have built successful businesses by referring clients to acquirers and payment processors. However, as their client base grows, they often recognize the need to establish their own PSP to capture higher revenue margins and enhance service flexibility.

Challenges of Launching the PSP

While the benefits of owning a PSP are clear, new entrants face several hurdles that must be addressed beforehand:

- 01 Regulatory licensing**

Every region has unique regulatory requirements that mandate PSPs to obtain the necessary licenses before launching. In many jurisdictions, regulatory bodies require PSPs to have a fully functional platform before granting approval. This makes compliance a critical first step.

- 02 Infrastructure development**

Building a payment platform from scratch is resource-intensive. It requires expertise in security, compliance, and integration with banking networks, payment schemes, and payment providers. Startups must decide between in-house development or leasing ready-made infrastructure from an established vendor.

- 03 Time-to-market pressure**

Speed is a key factor in gaining a competitive edge. PSP startups usually want to set up an operational platform quickly to begin processing transactions and securing clients before their competitors do.

- 04 Integration of market-specific payment methods**

Global payment landscapes are diverse, with each market relying on preferred local payment solutions. To meet customer needs, a new PSP must be capable of supporting regionally dominant methods such as PIX in Brazil, BLIK in Poland, or M-PESA in Africa.

Building vs. Renting a PSP Platform

One of the most crucial decisions for PSP startups is whether to develop a proprietary system or rent a ready-made payment platform.

Factor	Building in-house	Leasing from a vendor
Time-to-market	Can take 1-2 years to develop	Ready to deploy within months
Development cost	High upfront investment	Lower initial costs
Customization	Full control over features	Limited but adaptable
Regulatory compliance	Requires independent licensing efforts	Often pre-certified for regulatory approval
Maintenance & upgrades	Requires in-house expertise	Managed by the vendor

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For startups looking to enter the market quickly with minimal upfront costs, leasing a platform from an established vendor like [Akurateco](#) can be a cost-effective and scalable alternative. With pre-integrated compliance measures, built-in fraud prevention tools, and a modular payment infrastructure, Akurateco allows PSPs to focus on growth rather than technical complexities.

Scaling an Established PSP: Competitive Landscape and Market Potential

Established PSPs that want to scale operations require a different set of strategies than new market entrants.

Whether established players aim to expand into new regions, adopt emerging technologies, or enhance payment processing efficiency, PSPs must continuously evolve to remain competitive.

Why PSPs Need to Scale

Organizations and entrepreneurs want to maximize their PSP potential for various reasons. Some of them are:

Expanding into new markets

01

Many PSPs seek growth by entering new geographical regions. However, payment regulations, preferred payment methods, and banking infrastructures vary significantly across markets. A scalable PSP must be equipped to integrate region-specific solutions such as SEPA in Europe, ACH in the U.S., and FPS in the U.K.

Modernizing outdated infrastructure

02

Many PSPs operate on legacy systems built over a decade ago. These outdated platforms often lack the flexibility to support new payment innovations such as network tokens, open banking application programming interfaces (API)s, and real-time payments.

Enhancing transaction routing & optimization

03

As transaction volumes increase, PSPs must implement [smart routing](#) to optimize payment flows across multiple acquirers. Intelligent payment orchestration reduces declines, improves approval rates, and minimizes processing costs.

Diversifying business models

04

Some PSPs expand their operations by offering new financial services, such as embedded finance, merchant lending, or Buy Now, Pay Later (BNPL) solutions. This requires an adaptable infrastructure capable of integrating diverse financial products.

Challenges in Scaling PSPs

01

Legacy system limitations

PSPs relying on outdated technology often struggle with performance bottlenecks, security vulnerabilities, and difficulty integrating modern payment features.

02

Compliance complexity

Expanding into multiple regions introduces regulatory challenges. PSPs must ensure compliance with country-specific requirements such as the General Data Protection Regulation (GDPR), Payment Card Industry Data Security Standards (PCI DSS), and local central bank regulations.

03

Operational scalability

As transaction volumes grow, ensuring system uptime, redundancy, and failover mechanisms becomes critical to preventing downtime and revenue loss.



Key Strategies for Scaling PSPs



Infrastructure modernization

PSPs must decide between upgrading their in-house system or migrating to white-label payment platforms that offer flexibility and auto-scaling capabilities.



Feature-based scaling

Rather than replacing entire systems, PSPs can enhance their platforms by integrating modular payment services such as fraud prevention, chargeback management, and artificial intelligence (AI)-driven transaction analytics.



Geographical expansion

Scaling into new markets requires PSPs to form partnerships with local banks, acquirers, and alternative payment providers to ensure a frictionless payment experience.



Adopting payment orchestration

Implementing multi-acquirer routing and cascading payments significantly boosts approval rates while reducing transaction costs.



Akurateco's Role in Scaling PSPs

Akurateco offers tailored solutions designed to help PSPs scale without rebuilding infrastructure from scratch. Our payment platform enables PSPs to:

- Expand into new markets by seamlessly integrating over 500 local and global payment methods.
- Increase transaction success rates with AI-driven smart routing and cascading mechanisms.
- Improve operational efficiency with real-time transaction monitoring, chargeback management, and fraud detection tools.
- Ensure compliance by supporting PCI DSS certification, GDPR adherence, and region-specific regulatory frameworks.

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Furthermore, for PSPs looking to modernize their current infrastructure, Akurateco provides a flexible payment gateway extension that integrates with existing systems. This allows businesses to introduce new features without disrupting ongoing operations.



Market-specific Payment Methods and PSP Development Strategies

The success of a payment service provider hinges on its ability to cater to diverse payment landscapes across different markets.

Consumer preferences, regulatory frameworks, and technological advancements vary significantly from one region to another, requiring PSPs to adopt flexible and market-specific strategies to remain competitive.

Understanding Regional Payment Preferences

Each region has distinct payment behaviors shaped by economic conditions, regulatory environments, and consumer habits. PSPs must align their offerings with these preferences in order to gain widespread adoption.

1. Europe

The European market is heavily regulated under the Revised Payment Services Directive (PSD2), which promotes open banking and strong customer authentication. Preferred payment methods include SEPA bank transfers, digital wallets (PayPal, Apple Pay), and BNPL solutions like Klarna and Afterpay.

2. North America

The U.S. and Canada remain card-centric, with Visa, Mastercard, and American Express leading the market. However, automated clearing house (ACH) transfers and real-time payments (RTP) are gaining traction, particularly for business-to-business (B2B) transactions.

3. Latin America

This region has a fragmented payment landscape dominated by alternative payment methods. PIX in Brazil, SPEI in Mexico, and OXXO cash payments are widely used, requiring PSPs to integrate instant bank transfers and local e-wallets.

4. MENA (Middle East & North Africa)

The region is experiencing a rapid shift towards digital payments. Cash on delivery (COD) remains prevalent in e-commerce, but mobile wallets like STC Pay and Mada in Saudi Arabia and Fawry in Egypt are on the rise. Regulatory initiatives like open banking in the UAE are also driving digital adoption.

5. Africa

Mobile money reigns supreme, with M-PESA (Kenya, Tanzania), MTN MoMo (West Africa), and Airtel Money (East Africa) facilitating financial inclusion. Interoperability between mobile money providers remains challenging but is improving with initiatives like the Pan-African Payment and Settlement System (PAPSS).

6. Asia-Pacific

The region is dominated by super apps such as WeChat Pay and Alipay in China, GCash in the Philippines, and Paytm in India. QR code-based payments are widely adopted, and real-time bank transfers are the norm in countries like Thailand (PromptPay) and Australia (NPP – New Payments Platform).



Developing a PSP Strategy for Market Expansion

To successfully enter new markets, PSPs must adopt a multi-faceted strategy that considers local regulations, infrastructure compatibility, and user behavior.

Local payment method integration

PSPs should support the preferred payment methods of each market to attract merchants. For example, a PSP entering Brazil must integrate PIX, while one targeting Poland should prioritize BLIK.

Regulatory compliance

Each region has strict regulatory requirements. PSPs must ensure compliance with data protection laws like GDPR (Europe), CCPA (California), and POPIA (South Africa) and follow licensing frameworks established by central banks.

Optimized payment routing

Using smart routing, PSPs can dynamically direct transactions to the most efficient payment processor or acquirer in each market to improve authorization rates and reduce processing costs.

Currency and FX management

PSPs expanding internationally must support multi-currency transactions, dynamic currency conversion (DCC), and cost-effective foreign exchange (FX) management to streamline cross-border payments.

Localized user experience

A seamless, localized checkout experience, including language support, local currency pricing, and culturally familiar user experience (UX) elements can significantly boost conversion rates.

Fraud prevention measures

Fraud patterns vary by region, requiring PSPs to implement geo-specific risk scoring, device fingerprinting, and AI-driven fraud detection to mitigate fraud risks effectively.

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By combining these strategies, PSPs can successfully enter new markets, optimize transaction performance, and enhance merchant satisfaction while maintaining compliance with local financial regulations.

The Role of Modern Payment Technologies in PSP Growth

As the digital payments landscape evolves, PSPs must leverage cutting-edge payment technologies to stay competitive, improve operational efficiency, and meet customer expectations.

Key Technologies Transforming PSPs

1. Payment orchestration

A modern PSP must support multi-acquirer routing, cascading payments, and failover mechanisms to optimize transaction approval rates and minimize downtime.

2. Network tokenization

Tokenization replaces sensitive cardholder data with a secure, non-sensitive equivalent, reducing fraud risk and enhancing card-on-file transactions. Network tokens provided by Visa, Mastercard, and other card networks increase approval rates and reduce chargebacks.

3. Real-time payments (RTP)

Instant payments are speeding up money transfers worldwide. PSPs must integrate with RTP networks like FedNow (U.S.), SEPA Instant (Europe), and UPI (India) to facilitate instant transactions.

4. Open banking APIs

Regulatory frameworks like PSD2 in Europe and Open Banking in the UK and UAE are enabling greater financial transparency. PSPs that integrate account-to-account (A2A) payments, financial data aggregation, and personalized banking services can offer more innovative payment solutions.

5. Artificial intelligence (AI) and machine learning (ML)

AI-driven fraud detection, automated reconciliation, and predictive analytics help PSPs enhance transaction security and improve customer engagement.

6. Buy now, pay later (BNPL) solutions

The growing adoption of BNPL services like Klarna, Affirm, and Tamara is reshaping consumer financing. PSPs must support flexible payment installments to cater to merchants targeting younger, credit-conscious shoppers.

7. Blockchain and crypto payments

PSPs are exploring stablecoin settlements, cross-border crypto payments, and central bank digital currencies (CBDCs) to enable faster and more cost-effective transactions.

8. Cloud-based infrastructure

PSPs migrating from on-premise systems to cloud-based payment platforms gain scalability, resilience, and lower operational costs while ensuring high uptime and security.

Implementing Modern Technologies to Drive PSP Growth

To remain competitive, PSPs must strategically adopt new technologies while balancing cost, regulatory requirements, and scalability. The following steps can guide PSPs in integrating modern payment technologies:



Assess business needs

Identify key pain points, such as high decline rates, fraud vulnerabilities, or limited market coverage, and prioritize technology investments accordingly.



Adopt modular payment solutions

Instead of a complete overhaul, PSPs should implement modular technology upgrades, such as fraud detection APIs, multi-acquirer payment routing, or cloud-based reconciliation tools.



Ensure regulatory compliance

When adopting new technologies like A2A payments or blockchain, PSPs must ensure compliance with jurisdiction-specific regulatory requirements.



Enhance merchant offerings

Providing value-added services such as real-time analytics, chargeback management, and tokenized transactions can differentiate a PSP in a crowded market.



Ensure scalability with a future-proof infrastructure

A cloud-native, API-driven payment infrastructure allows PSPs to scale on demand, integrate emerging payment methods, and maintain operational resilience.



How Akurateco Empowers PSPs with Modern Payment Technologies

Akurateco provides a state-of-the-art payment infrastructure designed to help PSPs integrate and scale modern payment technologies efficiently. With an orchestration-first approach, Akurateco enables PSPs to:

- Optimize transaction routing and reduce costs through advanced payment orchestration.
- Enhance security with network tokenization, AI-driven fraud prevention, and advanced risk management tools.
- Enable seamless multi-market expansion by supporting over 500 global and local payment methods.
- Support next-gen payments such as real-time payments, A2A transfers, and BNPL integrations.
- Ensure compliance with regional regulatory frameworks while maintaining a flexible infrastructure.

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By embracing modern payment technologies, PSPs can future-proof their operations, enhance merchant satisfaction, and capture new revenue streams in a rapidly evolving digital payments ecosystem.



Owning vs. Leasing: Choosing the Right Payment Infrastructure Strategy




For both startups and established PSPs, one of the most critical decisions is whether to own a proprietary payment platform or lease pre-developed infrastructure from a third-party provider.

This choice directly impacts cost, time-to-market, compliance, scalability, and long-term strategic growth. Understanding the benefits and drawbacks of each approach is essential to making an informed decision.





Owning a PSP Platform: Pros and Cons

Building and operating an in-house payment platform provides full control over infrastructure, security, and customization. However, it also demands substantial financial and operational resources.

Advantages of owning a PSP platform

	Full customization	Businesses can develop tailored payment flows, advanced routing, and security measures specific to their business model.
	Independence & control	Eliminates reliance on third-party providers, offering greater flexibility in pricing, feature development, and integrations.
	Stronger competitive differentiation	A proprietary platform allows PSPs to create unique value propositions, setting them apart from competitors.

Challenges of owning a PSP platform

	High capital investment	Developing an in-house platform can cost millions of dollars, covering development, licensing, security, and infrastructure.
	Extended time-to-market	A full-scale PSP platform may take 1-2 years to build, delaying revenue generation.
	Complex compliance & licensing	PSPs must meet strict regulatory requirements such as PCI DSS, PSD2, anti-money laundering (AML), and regional financial regulations.
	Ongoing maintenance & scaling costs	Infrastructure requires constant updates to support new payment methods, integrations, and compliance changes.

For established PSPs, owning infrastructure may be beneficial if they need complete autonomy and long-term cost efficiency. However, for startup PSPs, the high upfront investment and operational complexity may outweigh the benefits.

Leasing a PSP Platform: Pros and Cons

Leasing a white-label payment platform allows PSPs to quickly enter the market without the financial burden of building or upgrading infrastructure from scratch.

Advantages of leasing a PSP platform

✓	Fast go-to-market	PSPs can launch in weeks rather than years.
✓	Lower upfront costs	Instead of investing millions, businesses pay a fixed subscription fee, reducing financial risk.
✓	Regulatory compliance is out-of-the-box	Pre-certified platforms meet industry standards (PCI DSS, PSD2, GDPR), easing compliance burdens.
✓	Scalability & feature updates	Leased platforms continuously add new features, integrations, and fraud prevention tools without requiring internal development.
✓	Reliable technical support	No need to maintain an in-house development team, reducing operational complexity.

Challenges of leasing a PSP platform

✗	Limited customization	While white-label solutions offer flexibility, deep customization may be restricted.
✗	Dependency on vendor	PSPs rely on third-party providers for updates, security patches, and infrastructure management.

For startup PSPs, leasing is often the most practical choice, providing quick access to a compliant and scalable payment infrastructure. For established PSPs, leasing can serve as a strategic expansion tool, allowing them to test new markets, add features, or balance transaction volumes without overhauling their legacy systems.

Finding the Right Balance: A Hybrid Approach

For many PSPs, a hybrid strategy combining ownership and leasing offers the best of both worlds.



Startup PSPs can lease a platform to launch quickly and later invest in proprietary components as they grow.



Established PSPs can use leased solutions to test new payment models, expand to new markets, or integrate specific features while maintaining their core infrastructure.

Whether owning or leasing, the key is to align infrastructure strategy with business goals, budgets, and long-term scalability needs.

Akurateco provides flexible solutions that allow PSPs to build, scale, or enhance their payment infrastructure based on evolving business demands.



Real-life Case Studies

Launching and scaling a payment service provider is no small task. From regulatory challenges to infrastructure limitations, PSPs face significant hurdles at every stage of their growth. Akurateco has helped startup and established PSPs overcome these obstacles through tailored payment solutions, enabling them to streamline operations, expand into new markets, and meet evolving customer demands.

The following case studies highlight how Akurateco's platform has empowered PSPs to navigate complex payment ecosystems, achieve regulatory compliance, and scale efficiently.

Unlocking New Revenue Streams across Regions



MontyPay, a global PSP based in the United Kingdom, was created to expand Monty Mobile's reach into new markets.



Challenge

MontyPay needed a scalable platform capable of handling high transaction volumes across diverse markets, including MENA, Africa, and Asia.



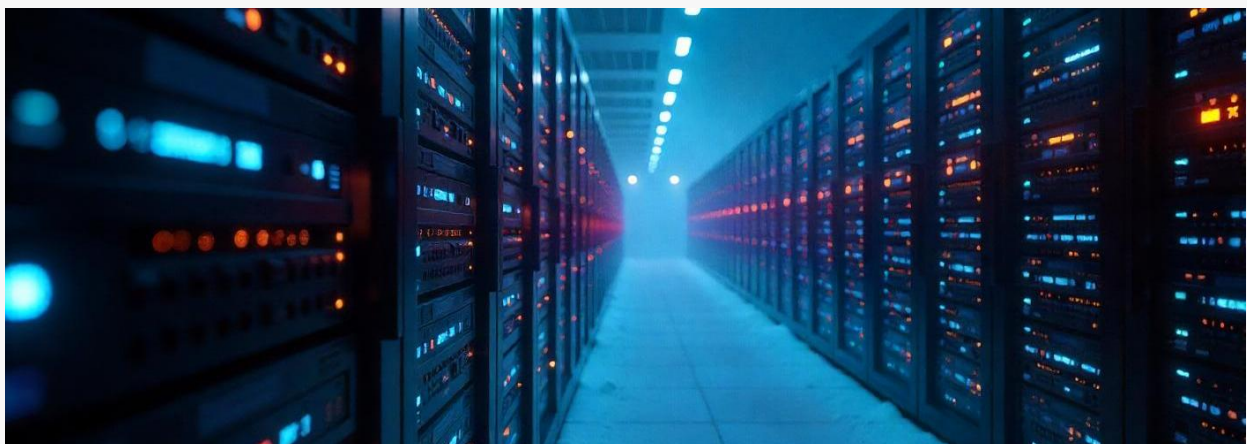
Solution

Akurateco's SaaS platform provided MontyPay with a fast go-to-market solution, providing integrations to over 15 local and global payment methods. The platform's flexibility enabled MontyPay to tailor payment flows and expand into multiple regions efficiently.



Results

- Expanded operations across three continents.
- Streamlined payment processes with multiple local and global integrations.
- Fast deployment and scalability for future growth.



Overcoming Legacy Infrastructure Challenges



CPS, a long-established PSP based in Northern Europe, faced challenges due to outdated technology and a lack of documentation, making it difficult to scale and implement new features.



Challenge

After losing key developers who held institutional knowledge of the platform, CPS struggled to find replacements due to the outdated nature of the system. They needed to modernize their platform while maintaining operational continuity.



Solution

Akurateco provided a white-label payment platform that addressed CPS's specific needs:

- Custom data transfer technology ensured a seamless migration of payment data, including over 5,000 white and blacklists.
- Integration with modern payment methods, including recurring billing and pay-by-link functionality, which enhanced customer experience.
- Akurateco's anti-fraud solution was tailored to CPS's business model, ensuring minimal fraud risk.



Results

- Successful migration of legacy data to a modern platform.
- Expanded payment options and improved customer experience.
- Increased transaction approval rates through optimized payment routing.

Read the full case study [here](#).

Driving Payment Innovation in MENA



TESS Payments, a leading Qatari payment service provider, has partnered with Akurateco to implement a scalable, regulation-compliant payment infrastructure tailored to the needs of the MENA region.



Challenge

TESS Payments aimed to enter the market quickly and secure a Qatar Central Bank (QCB) PSP license and PCI DSS certification while supporting a diverse range of local and global payment methods.



Solution

Akurateco deployed a SaaS-based payment infrastructure, enabling TESS to integrate with key payment systems like MPGS, NAPS, and Doha Bank. The ongoing migration to an on-premises Microsoft Azure setup ensures long-term compliance and scalability, equipping TESS with advanced payment technologies for future growth.



Results

- Fast market entry with a QCB PSP license secured.
- Seamless integration with local and international payment systems.
- A scalable infrastructure capable of supporting future expansion.

Read the full case study [here](#).

Transitioning from Legacy Systems to a Scalable Payment Platform



Platon, one of Ukraine's leading PSPs, faced limitations with its legacy infrastructure, which restricted scalability and lacked support for modern payment technologies.



Challenge

Platon's existing platform was outdated, making it difficult to introduce new payment features and maintain full operational control. The company needed a solution that combined flexibility, scalability, and compliance with Ukrainian market regulations.



Solution

Akurateco implemented a two-stage migration strategy:

- **SaaS deployment:** Platon initially tested Akurateco's white-label SaaS platform, which allowed them to evaluate the platform's functionality and operational fit.
- **On-premises transition:** following successful testing, Platon migrated to an on-premises solution. Akurateco handled the entire setup, including infrastructure configuration, bank integrations, and data migration.



Results

- Enhanced scalability and support for new payment methods.
- Complete control over the infrastructure and security settings.
- Significant cost savings by transitioning from SaaS to an owned platform.

Read the full case study [here](#).

Building a Cutting-Edge PSP in Saudi Arabia



DineroPay, a fast-growing PSP in the Kingdom of Saudi Arabia, wanted to create a fully compliant and scalable payment ecosystem from the ground up.



Challenge

To meet Saudi Arabian Monetary Authority (SAMA) requirements, DineroPay needed a secure, scalable payment platform capable of handling advanced payment methods like Apple Pay and Google Pay.



Solution

Akurateco delivered a compliant on-premises solution hosted on Oracle Cloud, facilitating integrations with BNPL providers such as Tabby and Tamara. The platform also supported direct connections to acquiring banks, ensuring a seamless payment experience.



Results

- Successful SAMA certification and full regulatory compliance.
- Support for key payment methods and BNPL services.
- A secure, scalable infrastructure ready for future growth.
- Successful SAMA certification and full regulatory compliance.
- Support for key payment methods and BNPL services.
- A secure, scalable infrastructure ready for future growth.

Read the full case study [here](#).

How Can Akurateco Help?

Whether you're launching a new PSP or upgrading an existing one, Akurateco's platform offers:

- Rapid deployment through SaaS or on-premises solutions.
- Seamless integration with over 500 local and global payment systems.
- Scalable infrastructure designed for high transaction volumes.
- Advanced fraud prevention and security measures.
- Dedicated support and continuous updates to keep pace with market demands.
- Cutting-edge payment technologies, including intelligent routing and retries, automated merchant onboarding, network tokenization, and many more.

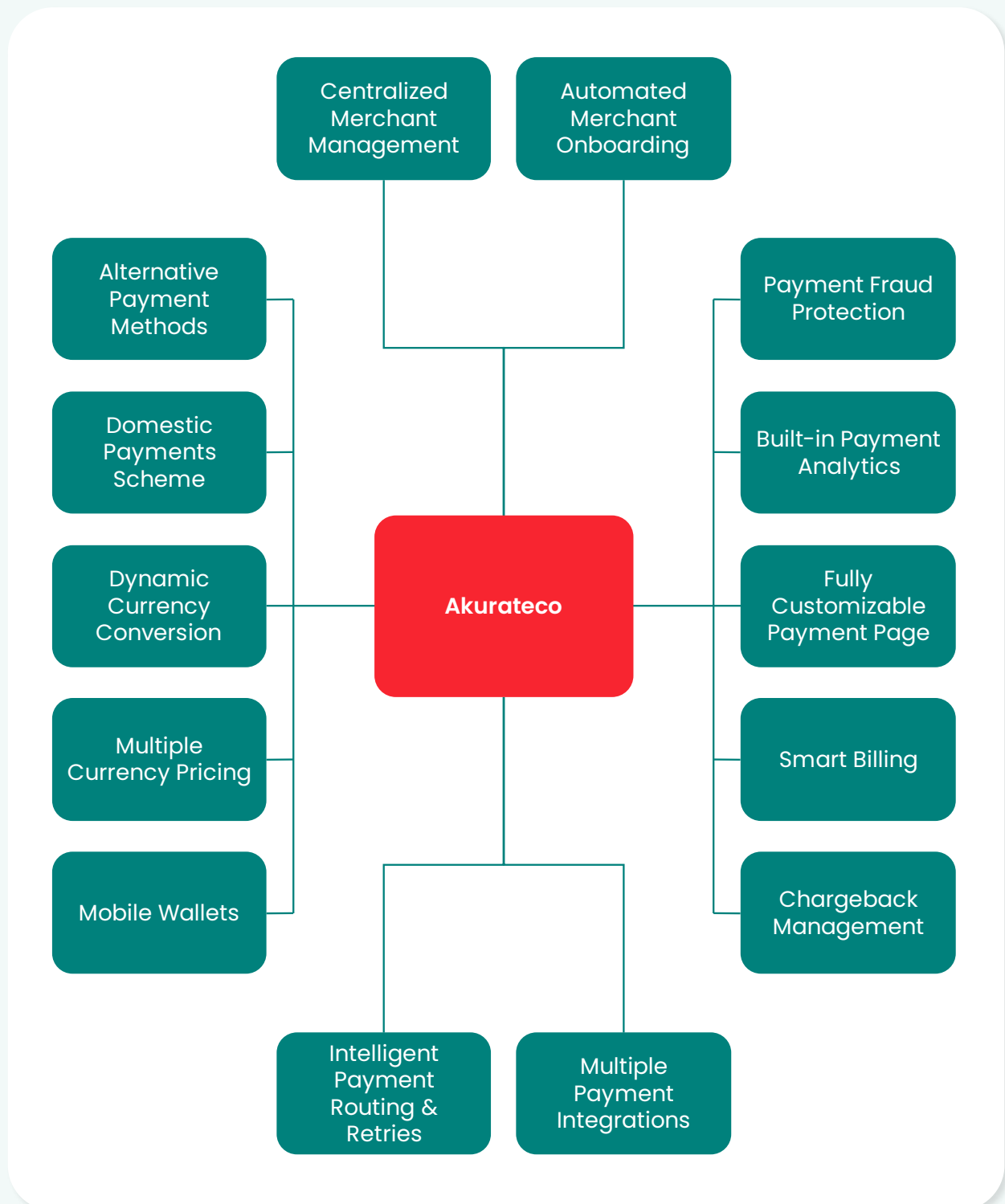
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If your business is ready to launch or scale its payment operations, Akurateco's platform provides the technology, compliance, and expertise needed to succeed in a competitive payment landscape.



Core Features at a Glance

Akurateco's platform offers an extensive suite of features. Here's a glance at some of them.



Let's Achieve Your Payment Goals Together

Our team is ready to demonstrate how Akurateco can revolutionize your payments. Give us one hour to walk you through our platform's full capabilities and discover how we can help you achieve your business goals efficiently and securely.



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