AKURATECO

Why Banks Are Losing Merchants

And How Payment Orchestration Changes the Game



www.akurateco.com

Table of Content

Today's Banking Payments Landscape 04

Pressing Challenges for Banks 06

What is Payment Orchestration for Banks? 07

Akurateco's Technology Approach 09

Key Orchestration Technologies 11

Business Value for Banks 13

Implementation Guide 15

Why Akurateco 16

Final Thoughts 17

AKURATECO

Introduction

The payments industry is undergoing a rapid shift. For decades, banks were the natural leaders in merchant services and payment acceptance. They had the trust, the customer base, and the infrastructure.

But in recent years, fintech companies and payment service providers (PSPs) have overtaken them, offering faster, more flexible, and more innovative solutions.

The difference is not in resources. Banks are well-capitalized and have decades of experience. The gap lies in agility and technology. Fintechs have been built on modern stacks, leveraging cloud-native infrastructure, open APIs, and modular services to deploy new features in weeks rather than months. Banks, on the other hand, are often tied to legacy IT systems, compliance-heavy processes, and vendor contracts that slow innovation.

This is where payment orchestration comes in. Instead of forcing banks to replace entire systems, orchestration adds a smart, adaptable layer on top of their infrastructure. This layer consolidates payment providers, routes transactions intelligently, supports new payment methods, and automates key processes from onboarding to settlements.

Akurateco's orchestration platform combines a robust technical foundation (microservices, API-first design, private cloud options) with business-focused flexibility (customizable modules, compliance-ready components, global integrations). For banks, it is a way to reclaim agility, meet compliance requirements more efficiently, and open new revenue opportunities without disrupting their core operations.

AKURATECO

Today's Banking Payments Landscape

Ten years ago, if you were a small or mid-sized merchant looking to accept online payments, you didn't go straight to a bank; most wouldn't onboard you directly.

Instead, a new generation of payment service providers (PSPs) was already reshaping the landscape. Companies like Adyen, Stripe, and local PSPs across Europe and LATAM were making digital payments accessible to businesses of all sizes.

That decade marked the real acceleration of the PSP boom, the point when online payments became a scalable service rather than a privilege of enterprise merchants. Banks were no longer the gatekeepers; technology companies became the enablers.

Fast forward to today, and the story looks very different. A recent Global Banking Annual Review shows that between 2017 and 2022, fintechs and payment providers grew in value much faster than banks. And that's not just a coincidence, it's a signal of where merchants are placing their trust.

Consider this: according to Flagship Advisory Partners, in 2023, nearly two-thirds (65%) of U.S. e-commerce merchants chose ISVs and SaaS vendors for payment acceptance. Only 7% stuck with banks. For decades, small and medium-sized businesses were a stronghold for banks. Today, they're voting with their feet and choosing faster, more flexible fintech partners.

And the trend is only accelerating. The Capgemini World Payments Report 2026 reveals that 40% of small- and mid-sized merchants are actively considering shifting to PayTech providers due to frustration with banks' slow, costly services. Onboarding with a bank takes time, depends on many factors, and costs

Trends & insights in numbers:

↑ 65%

e-commerce merchants choose ISVs & SaaS for payments

40%

SMBs are considering switching to PayTech

$500

average bank onboarding cost

around $500, while PayTech platforms can bring a merchant live in less than an hour, often at a fraction of the cost. No wonder banks are losing ground.

Meanwhile, fintechs are doubling down. A PYMNTS Intelligence study shows that 75% of ISVs and marketplaces plan to enhance their payment features in the coming year, a sign that payment capabilities are no longer an add-on but a core revenue driver. And the scale of this market is massive: in 2024, payments providers generated roughly $126 billion in revenue, nearly one-third of global fintech revenues.

$126B

payments revenue in 2024

The message is clear

Merchants don't just want a payment processor; they want a partner who can move at the speed of innovation. Banks that fail to adapt risk not only losing payments revenue but also the deeper merchant relationships that drive lending, deposits, and long-term growth.

Why? Because the rules of the game have changed.

A merchant who wants to enable Apple Pay, add a buy-now-pay-later option, or even experiment with crypto payments doesn't have months to wait. With a PSP, they can go live in a matter of weeks. With a bank, they may be stuck in red tape and legacy IT delays.

This shift tells a bigger story: banks are at risk of becoming sidelined. If they miss payments, they lose the daily connection with merchants the very relationships that fuel lending, deposits, and cross-selling opportunities.

> **Unless banks embrace agility, open APIs, and modern payment orchestration, they risk being left behind in a world where speed and flexibility are no longer optional; they're the price of admission.**

AKURATECO

Pressing Challenges for Banks

Banks today face challenges that make competing with fintechs increasingly difficult. These challenges are not about willpower or strategy; they are about structure, technology, and regulation.



Legacy IT complexity

Many banks' payment systems were built decades ago. They were designed for stability, not agility. Migrating them is risky and costly because the software is often tied to outdated hardware or coded in languages that are no longer widely supported. Even small updates can require significant development cycles, making it difficult to keep pace with market changes.



Lack of agility

Fintechs have lean teams and cloud-native infrastructure that lets them pivot quickly. Banks operate under governance-heavy structures that slow innovation. A fintech can integrate five new digital wallets in under a month; a bank may need half a year. That agility gap translates directly into lost business.



Compliance pressure

Regulations such as PCI DSS, PSD2, AML, and KYC are becoming increasingly stringent each year. Banks bear the brunt of compliance responsibilities, and each new market adds another layer. Compliance audits are time-consuming and expensive, and many banks feel they are constantly playing catch-up.



Scaling limitations

Transaction growth is accelerating. A bank processing 500,000 monthly transactions today may face five million in just a few years. Scaling with legacy systems usually means either throwing more hardware at the problem or undertaking disruptive replatforming projects. Neither option is sustainable.

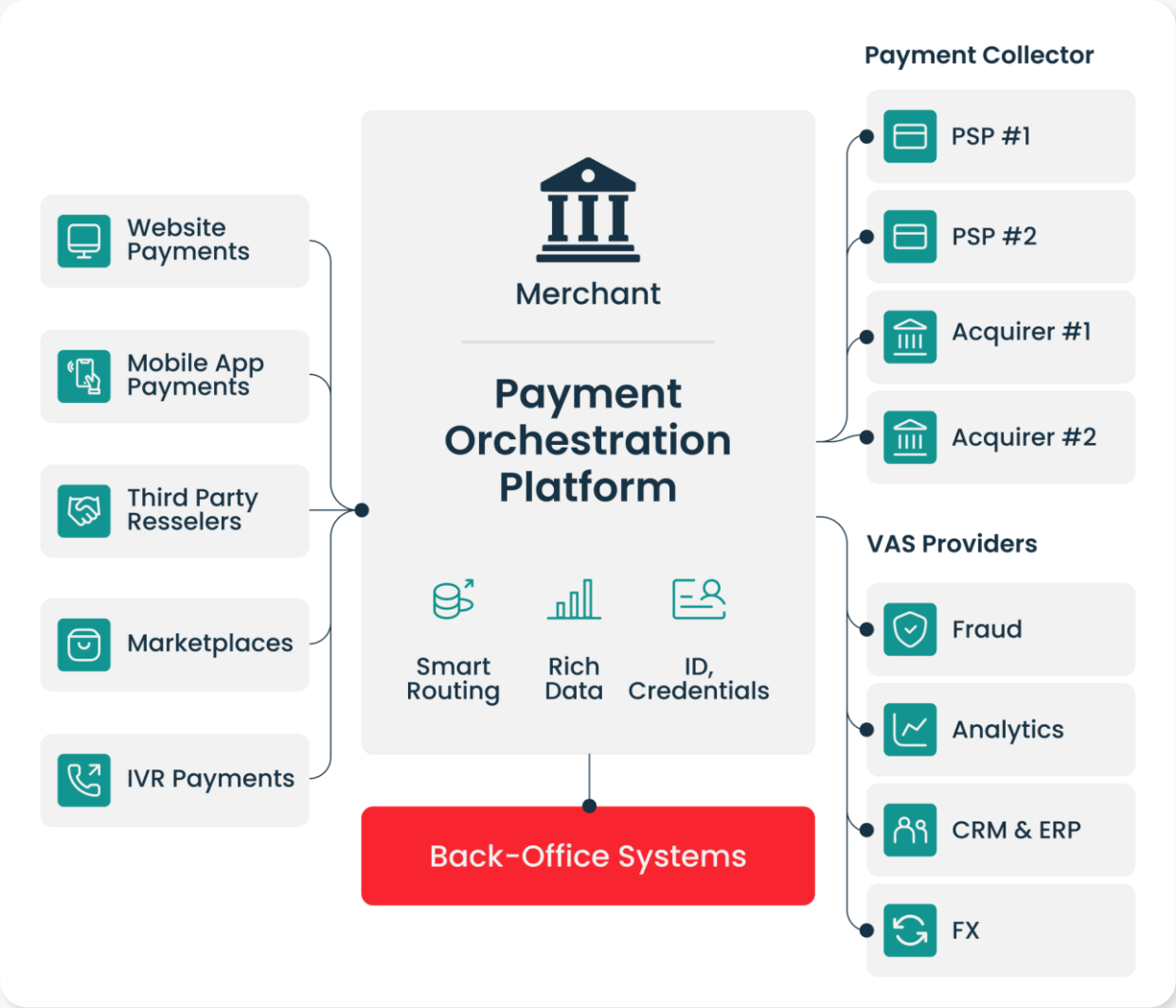


Customization needs

Each bank has its own way of working, with unique reporting structures, workflows, and risk policies. Off-the-shelf products rarely fit perfectly. Banks need platforms that can adapt to them, not the other way around.

AKURATECO

What is Payment Orchestration for Banks?



Payment orchestration is not just another software add-on it is a strategic architecture that gives banks back what they've been steadily losing in recent years: control, agility, and relevance in the payments value chain.

At its core, payment orchestration is a smart technology layer that sits between a bank's infrastructure and the fragmented world of payment providers, methods, and geographies. Instead of building and maintaining dozens of point-to-point integrations, each with its own costs, complexities, and time-to-market implications, banks connect to an orchestration platform once and instantly gain access to a broad ecosystem of providers.

AKURATECO

How it changes the game for banks

- **Inward payments (merchant acceptance, acquiring, e-commerce):** Orchestration routes transactions through the best available provider in real time, maximizing approval rates while minimizing costs. Failed transactions are automatically cascaded to alternative providers, ensuring that customer experience isn't lost to a single point of failure.
- **Outward payments (settlements, disbursements, remittances):** Instead of patchwork processes, orchestration automates fund flows with transparency, accuracy, and speed. This improves trust with merchants and reduces costly operational overhead.

Key components of orchestration

- **Dynamic routing & cascading.** Optimize success rates and lower costs by intelligently directing transactions across providers.
- **Alternative payment methods (APMs).** Digital wallets, BNPL, crypto, QR-based payments, all integrated through a single gateway.
- **Fraud prevention & risk scoring.** Built-in security tools and API connections to top-tier fraud systems enable real-time detection and mitigation.
- **Analytics & reporting.** A unified dashboard consolidates data across providers, giving banks and merchants actionable insights into performance, fees, and risk.
- **Automated settlement & reconciliation.** Commissions, reserves, and settlement cycles are calculated in real time, reducing manual intervention and errors.

Banks have traditionally been slow to adapt to new payment technologies, losing ground to agile fintechs and PSPs who can launch Apple Pay, BNPL, or local wallets in weeks, not months. Payment orchestration helps banks break out of this pattern. It doesn't replace their core systems; instead, it complements them, making legacy infrastructure faster, more flexible, and future-proof.

For banks, this is more than an IT upgrade. It's a chance to:

- Win back merchants who are drifting toward fintechs.
- Expand into new markets without heavy integration costs.
- Reclaim their central role in the payments ecosystem.

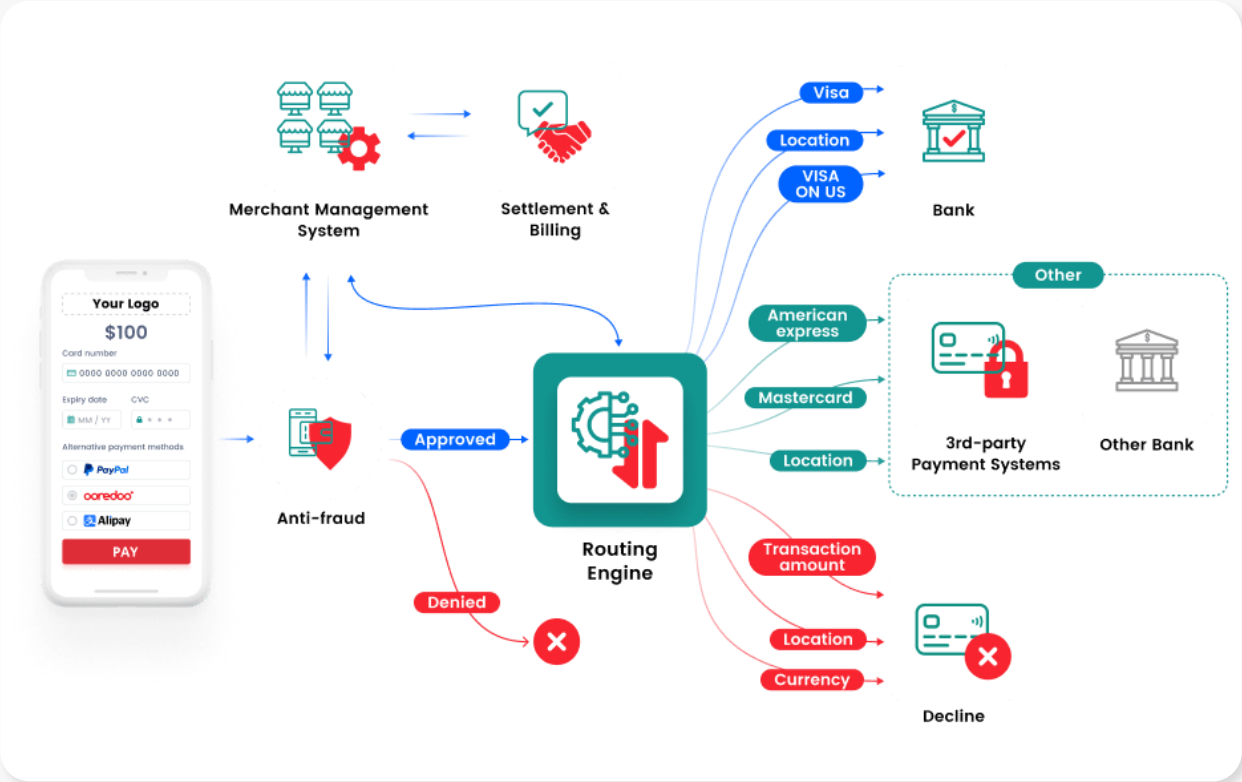
In short, payment orchestration is not just about handling transactions better; it's about positioning banks to compete and grow in a landscape where speed, choice, and intelligence are the new currency.

Want to explore how orchestration can modernize your bank's payments infrastructure?

Request a demo today

AKURATECO

Akurateco's Technology Approach



What differentiates Akurateco's orchestration platform is not only its functionality but also the way it combines modern engineering practices with banking-grade resilience and compliance.

Modular by design

The platform is built on a microservices architecture, where each core capability, routing, onboarding, fraud prevention, and analytics operates as an independent service. This ensures:

- **Granular scalability:** banks can scale individual services without overprovisioning the entire system.
- **Resilience through isolation:** if one module encounters issues, the rest of the platform continues to operate seamlessly.
- **Innovation without downtime:** new modules or features can be introduced incrementally, avoiding costly service disruptions.

Modern technology stack

The codebase blends rapid development frameworks with enterprise-grade performance layers.

- **PHP, Symfony, and Vue.js** power the administrative and customer-facing layers, enabling fast, flexible UI/UX development.
- **Java-based microservices** handle high-performance and mission-critical workloads, balancing robustness with throughput under heavy transaction volumes.

This hybrid approach accelerates feature delivery without compromising the robustness banks expect.

Deployment flexibility

Recognizing that compliance and infrastructure needs vary by jurisdiction, Akurateco offers multiple deployment models: SaaS, private cloud, on-premise, and hybrid.

- This allows banks to retain sensitive data in-country when required by regulators.
- Institutions can also align deployment with their existing IT strategy, whether cloud-first or data-sovereignty driven.

API-first interoperability

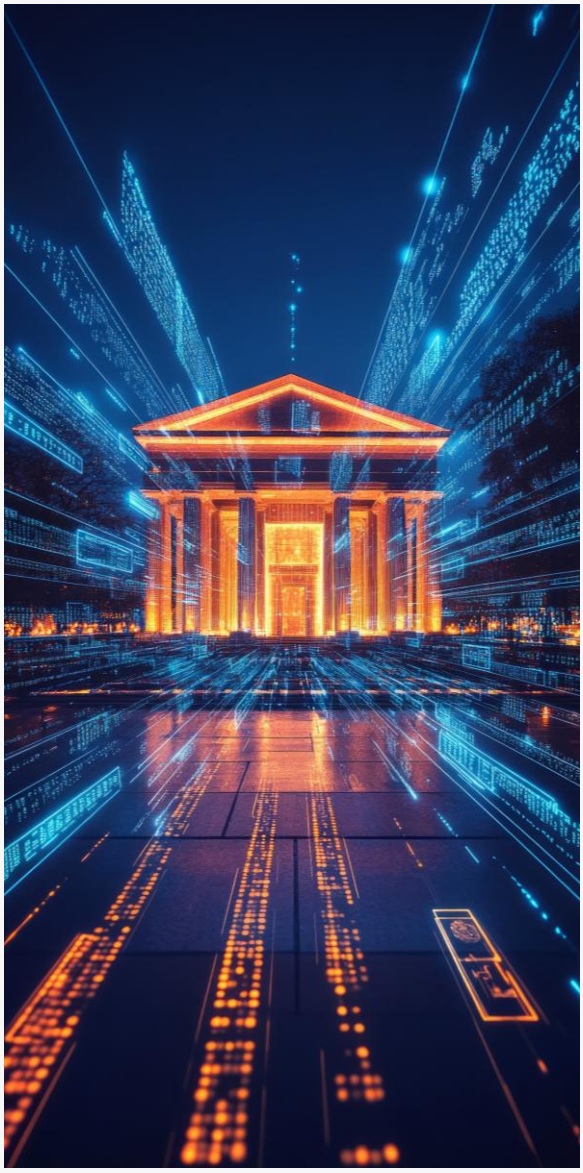
The platform is API-first by design, ensuring that every service is accessible, extensible, and easy to integrate:

- RESTful APIs with backward compatibility ensure smooth version upgrades.
- Protocol emulation bridges legacy systems, reducing friction for banks still operating on older infrastructure.
- This drastically reduces time-to-market for new payment features and minimizes dependency on internal IT resources.

Compliance and resilience baked in

Most critically, Akurateco is engineered with regulatory compliance and operational resilience at its core:

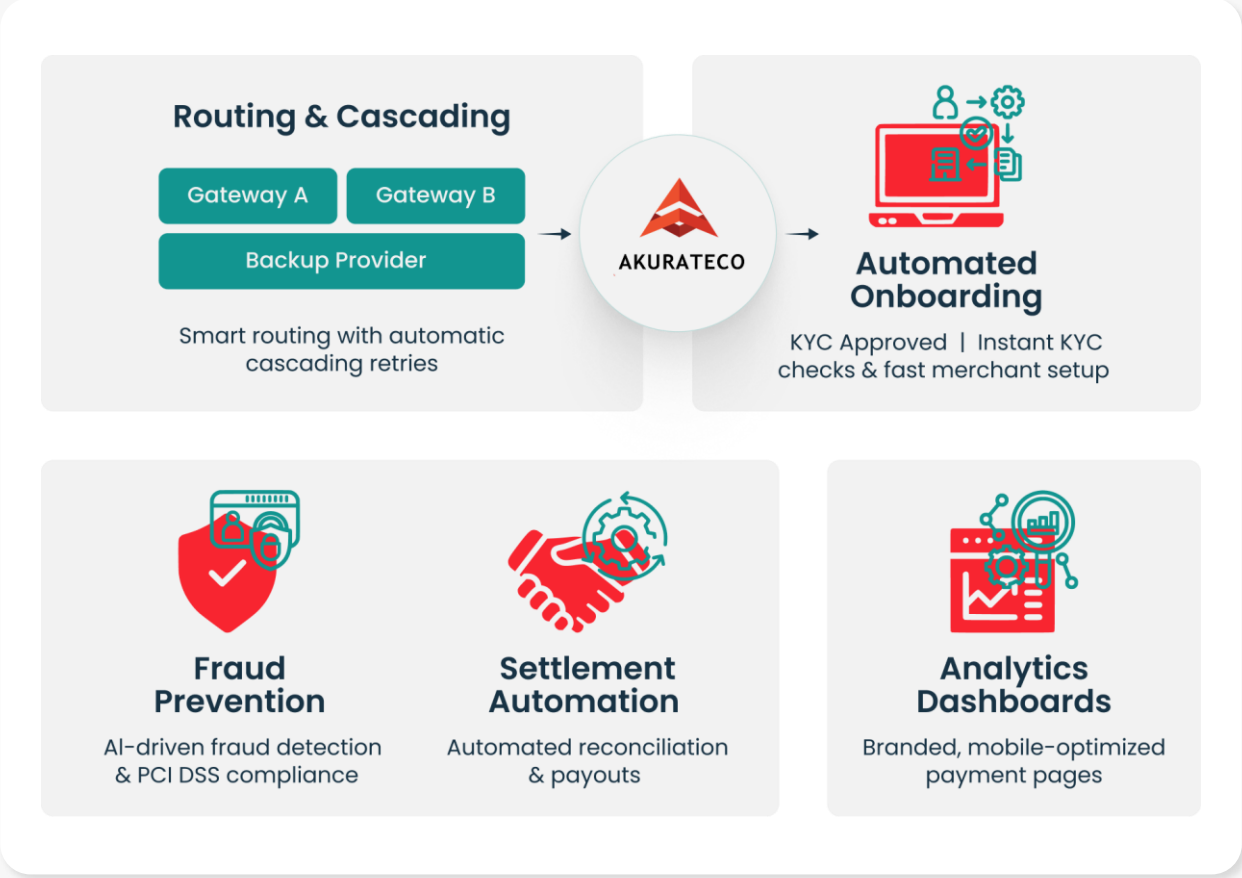
- PCI DSS alignment is facilitated by self-deployed modules, helping banks achieve certification without re-engineering from scratch.
- High availability and disaster recovery mechanisms are native to the platform, ensuring continuity even under peak transaction loads or unexpected outages.



> **Akurateco's approach reflects the dual priorities of modern banking: the agility of a fintech stack combined with the resilience, compliance, and reliability required in financial services. It enables banks not just to compete with fintechs, but to lead with infrastructure that is both future-ready and regulator-proof.**

AKURATECO

Key Orchestration Technologies



To understand orchestration's impact, it's worth looking more closely at the technologies involved and why they matter for banks and merchants.

● **Routing and cascading.** Every transaction is analyzed in real time to determine the optimal path based on geography, currency, issuer/acquirer pairing, or cost. If a transaction fails, cascading retries automatically cascade through alternate providers. This salvages many transactions that would otherwise be declined, directly improving approval rates and revenue.

● **Automated onboarding.** In a traditional banking environment, onboarding merchants can take weeks or even months due to manual document review, compliance checks, and fragmented IT processes. With orchestration, this process is digitized and automated:

- Merchants upload documents directly,
- Pass KYC checks instantly,
- Test integrations in a sandbox environment before going live.
  The result: faster time-to-revenue for banks and merchants alike.

- **Fraud prevention.** Akurateco's layered fraud prevention stack blends rule-based modules (blacklists, velocity checks) with AI-driven scoring through integrations with providers like Fraudio, MaxMind, and AcuityTec. Combined with PCI DSS Level 1 certification, this creates a multi-layered shield that adapts to evolving threats.
- **Settlement automation.** Banks often spend enormous resources calculating commissions, reserves, and settlements across thousands of merchants. Orchestration automates these workflows, ensuring accuracy, transparency, and faster reconciliation. Merchants benefit from real-time settlement visibility, while banks cut operational overhead.
- **Analytics dashboards**. Orchestration consolidates disparate data into a single source of truth.
  - Banks gain deep insights into transaction flows, approval ratios, and cost structures.
  - Merchants see their own performance metrics, empowering them to optimize payment strategies.
- **Brandable checkout pages**. On the customer-facing side, orchestration improves UX through fully customizable checkout pages, branded to match merchants' identities, mobile-optimized, and ready for Apple Pay and Google Pay. This boosts conversion rates and strengthens merchant loyalty.

Traditional vs. Orchestrated Payments: A Comparison

Aspect	Traditional Bank-Led Payments	Orchestrated Payments with Akurateco
Routing	Static, limited to one or two acquirers	Dynamic routing & cascading across multiple providers
Merchant Onboarding	Manual, weeks to months	Automated, days to hours
Fraud Prevention	Basic rules, often reactive	Multi-layer: rules + AI-driven risk scoring
Settlement & Reconciliation	Manual calculations, prone to errors	Automated, real-time, transparent
Analytics & Reporting	Fragmented, siloed per provider	Unified dashboards with full visibility
Checkout Experience	Standard, limited branding	Fully customizable, supports wallets & APMs
Scalability	Dependent on legacy IT cycles	Microservices-based, scale modules independently

AKURATECO

Business Value for Banks

The business case for payment orchestration isn't abstract it translates directly into revenue growth, cost efficiency, and stronger competitiveness.

01 New revenue streams

With orchestration, banks no longer need to spend years building every new payment feature in-house. Instead, they can instantly offer merchants wallets, BNPL, crypto, and cross-border payments through the orchestration layer. This expands the bank's portfolio and makes it far more attractive to merchants seeking modern payment options.

---

02 Higher approval rates

In payments, a small improvement goes a long way. Orchestration dynamically routes transactions to the best-performing providers, often improving approval rates by 2–3%. For merchants, this can mean millions in extra revenue; for banks, it translates into higher transaction fees and stronger P&L performance.

---

03 Lower operational costs

Banks traditionally allocate large teams to handle onboarding, fraud checks, and settlements. Orchestration automates these processes, allowing leaner teams to manage higher transaction volumes. That means lower cost per transaction and the ability to reassign staff to higher-value, client-facing work.

---

04 Scalable infrastructure

Built on microservices and deployable in SaaS, private cloud, or hybrid models, orchestration lets banks scale from thousands to millions of transactions without bottlenecks. Growth becomes an IT opportunity, not an IT headache.

AKURATECO

05 Stronger compliance and risk management

With certified modules, automated KYC/AML checks, and centralized monitoring, orchestration reduces compliance overhead and simplifies audit and regulatory reporting. Instead of scrambling to meet requirements, banks can rely on orchestration to consistently enforce them.

Value Chain Impact of Payment Orchestration

Dimension	Without Orchestration	With Orchestration	Business Impact
Revenue Growth	Limited product set (cards + few APMs)	Instant access to wallets, BNPL, crypto, cross-border	New revenue streams, stronger merchant acquisition
Approval Rates	Static routing, higher decline rates	Dynamic routing + cascading, 2–3% higher approvals	Millions in extra merchant revenue → higher bank fees
Operational Costs	Large manual teams for onboarding, fraud, settlement	Automated KYC, fraud prevention, reconciliation	Lower cost per transaction, leaner ops teams
Scalability	Legacy monolith systems, slow to expand	Microservices, cloud-ready, elastic scaling	Seamless growth from thousands → millions of txns
Compliance & Risk	Heavy audit burden, siloed tools	Certified modules, centralized monitoring	Easier audits, reduced compliance risk
Merchant Experience	Long onboarding, slow product rollout	Fast onboarding, branded checkout, Apple/Google Pay	Higher merchant loyalty and retention

Orchestration isn't just about technology it reshapes the entire banking payments value chain by aligning growth, efficiency, compliance, and customer experience in one strategy.

Ready to turn payments from a bottleneck into a competitive advantage? Discuss how Akurateco can help your bank!

Contact our team

AKURATECO

Implementation Guide

Implementing orchestration doesn't have to be disruptive. A structured approach minimizes risk and accelerates benefits.

Step 1: Audit

Begin with a comprehensive review of current systems, compliance requirements, and merchant needs. Identify where orchestration can bring the biggest impact.

Step 2: Sandbox

Utilize a secure testing environment to test integrations, simulate transaction flows, and train staff. This builds confidence before live deployment.

Step 3: Integration

Connect existing systems via open APIs. For legacy systems, Akurateco supports protocol emulation, meaning banks don't have to re-engineer everything at once.

Step 4: Deployment

Choose the deployment model that fits regulatory and business needs: SaaS for speed, private cloud for control, and hybrid for flexibility.

Step 5: Rollout

Launch with core features and expand incrementally. For example, start with routing and onboarding, then add fraud modules and new APMs.

> **A case study illustrates the difference: one bank integrated five digital wallets via orchestration in just three weeks. On their legacy infrastructure, the same rollout would have taken six months. That agility can be the difference between winning and losing a major merchant deal.**

AKURATECO

Why Akurateco

With Akurateco, banks don't just keep pace with fintechs; they get the tools to leap ahead. We combine cutting-edge technology with a true partnership approach, helping banks scale faster, serve merchants better, and unlock entirely new revenue streams.

At the heart of our value is choice at scale. Out of the box, we provide access to 700+ integrations across acquirers, PSPs, and APMs, including regional card schemes and mobile wallets, as well as BNPL, QR payments, and even crypto. Instead of spending years building connections one by one, banks can instantly expand their reach into new markets and customer segments.

But it's not just about quantity. Our proprietary routing engine ensures that every transaction takes the smartest path, maximizing approval rates, minimizing costs, and delivering speed at scale. For merchants, this means more revenue and smoother flows. For banks, it means higher transaction volumes and stronger relationships.

Compliance and security are built in from day one. As a PCI DSS Level 1-certified platform, Akurateco enables banks to meet strict regulatory standards without slowing innovation. Deployment is flexible, SaaS, private cloud, or on-premises, so data sovereignty and local compliance are always respected.

Most importantly, we see ourselves as more than a technology vendor. Our team works side by side with banks, fine-tuning onboarding, optimizing fraud prevention, and helping them bring new payment products to market quickly. With Akurateco, banks gain a partner committed to their long-term growth, not just a platform.

AKURATECO

Final Thoughts

Banks don't need to become fintechs. They already have what fintechs lack: trust, scale, and established customer relationships. What they need is agility, the ability to respond quickly to market changes, launch new payment methods, and optimize transactions in real time.

This is where payment orchestration delivers real value.

Layering orchestration onto existing systems enables banks to move at fintech speed without sacrificing stability, security, or compliance. It opens new revenue streams, improves approval rates, reduces operational costs, and allows seamless scaling across regions.

Akurateco makes this transformation achievable. With a modern microservices architecture, compliance-ready modules, and over 700 global integrations, banks can rapidly deploy new payment capabilities, optimize routing, and respond to merchant needs all without overhauling their core systems.

In short, payment orchestration is more than a technical upgrade; it's a strategic lever that empowers banks to reinforce their leadership, deliver superior merchant experiences, and future-proof their business. With Akurateco, banks don't just keep up with fintechs; they get ahead.

AKURATECO

Ready to See What Orchestration Can Do for Your Bank?

Book a demo with Akurateco's tech team today.

wp@akurateco.com

+31 61 8330730

* click to open

www.akurateco.com