#WSRoundups

THE STATE OF EMBEDDED FINANCE

A summary of market trends and industry initiatives from Q4 2024

October - December 2024

Embedded payments

- Embedded payment solutions are transforming industries like food delivery, mobility, hospitality, and e-commerce by expanding payment method accessibility, and prioritising local payment preferences for seamless and user-friendly experiences.
- Embedded payment solutions for SMBs are streamlining operations by automating workflows, enabling smartphone-based payment acceptance, and enhancing cross-border transactions.

PayMate, BANKIFI, METRO BANK, ShopRite, adyen, noon payments, INTUIT, tide, NEWSTORE, VISA, SHOPLINE, Unlimit, LianLian Global, nuvei, viably, Airwallex

Embedded lending for SMBs

- Embedded lending solutions are driving SMB financing by offering instant, flexible funding options tailored to business revenue and operational needs
- The integration of BNPL solutions into major payment and e-commerce platforms are enabling merchants to provide flexible payment methods to their customers.

adyen, affirm, Liberis, dojo, worldpay, Klarna., pipe, SHOPLAZZA, sezzle, WOO, magnati, RAKBANK, YOULEND, GoCardless

Banking-as-a-service

- BaaS and embedded finance providers are equipping banks, fintechs, and businesses with banking and digital payment processing capabilities.
- Incumbent banks and fintech infrastructure providers are launching embedded finance and BaaS platforms, enabling non-financial companies to embed financial services seamlessly.

LUNAR, Saldo Bank, DSA, toqio, WealthKernel, Griffin, Getnet, MeaWallet, Tradeshift, HSBC, greendot bank, SEB Embedded

Niche-focused embedded finance offerings

- Non-financial platforms are creating holistic solutions for gig workers by integrating financial services like immediate earnings access, loans, and insurance protection.
- The healthcare industry is embedding financial services like payment processing and BNPL, thereby streamlining provider payment processes and improving patient affordability.

inDrive, Uber, Thumzup, Allianz, Allianz Partners, Doctolib, adyen, THOMSON MEDICAL, ClinicMind, GoodRx, affirm

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Embedded payment options at checkout

Industry Spotlight

Key takeaways: Major platforms across food delivery, mobility, hospitality, and e-commerce are embedding specialised payment solutions to reduce checkout friction and expand payment method accessibility. These strategic partnerships show a trend toward consumer-centric checkout experiences that prioritise local payment preferences.

Food delivery

- Online food delivery service **easyFood** partnered with **Tyl by NatWest** to offer lower service fees to restaurants and takeaway owners across the UK.
- The partnership includes no hardware costs and faster payments, integrating Tyl's single terminal for a more streamlined payment process.

Ride hailing

- **Lyft** partnered with **Cash App** to provide its users with the flexibility of paying via Cash App Pay.
- This integration will simplify the payment process, allowing riders to link Cash App directly to the Lyft app without entering card details.

Hospitality

- **Tillster** expanded its partnership with **Stripe**, broadening access to Stripe's payment solutions for its global restaurant clients.
- This implementation allows Tillster's customers in the United States to accept both card-present and card-not-present payments from over 45 global markets.

E-commerce

- Mastercard partnered with noon Payments to bring its Payment Passkey Service to the MENA region starting in the UAE.
- The Mastercard Payment Passkey Service streamlines e-commerce checkout using device-based biometrics to replace OTPs, making online transactions faster and more secure.

Enabling merchants to offer BNPL to their customers

Use cases

Key takeaways: Major payment and e-commerce platforms are embedding BNPL solutions to enhance payment flexibility and expand consumer access. These strategic integrations demonstrate how embedded BNPL is becoming a standard payment option, reflecting evolving consumer preferences for flexible payment methods across digital touchpoints.

adyen affirm

- **Affirm** expanded its partnership with **Adyen**, enabling it to support Adyen's payment solution for platform businesses, while also offering more payment options for Adyen merchants in Canada.
- The expanded agreement covers Adyen for Platforms customers including peer-to-peer marketplaces, on-demand services, and crowdfunding platforms.

worldpay Klarna.

- **Klarna** expanded its partnership with **Worldpay**, making it a default payment method for thousands of merchants globally.
- The integration will offer merchants the ability to provide Klarna's flexible payment options alongside traditional card payments.

SHOPLAZZA sezzle

- **Shoplazza** partnered with **Sezzle** to enable merchants in the United States to offer BNPL options to their customers.
- This collaboration will allow merchants doing business in the US to provide flexible payment solutions to their customers through Sezzle.

woo Klarna.

- Klarna expanded its partnership with WooCommerce, becoming a default payment option on the WooPayments platform.
- The partnership enables merchants to offer their customers payment options include immediate payments, short-term, interest-free buy now, pay later and longer-term financing.

Banks and infrastructure providers hop on the BaaS bandwagon

Use cases

Key takeaways: Incumbent banks and financial technology providers are launching embedded banking infrastructure solutions that streamline and integrate financial services into various platforms and business processes. These solutions offer enhanced capabilities for banking, payment processing, trade, and financing solutions, facilitating easier access to banking functionalities.

Embedded finance JV

Tradeshift® HSBC

- **HSBC** and **Tradeshift** launched **SemFi**, a joint venture delivering embedded finance solutions for business clients.
- SemFi will integrate HSBC's payment, trade, and financing solutions into Tradeshift's B2B network and e-commerce platforms.

Payment gateway

Getnet

- **Santander's Getnet** launched **Getnet SEP**, a single-integration e-commerce payment solution in Latin America.
- Merchants in Brazil, Argentina, Mexico, and Chile will be able to access payment services through one streamlined integration.

Banking platform

greendot bank

- **Green Dot** introduced **Arc**, an embedded finance brand offering secure banking and money processing services.
- Arc will integrates FDIC-insured banking products and compliance expertise on a single-source platform.

Banking service

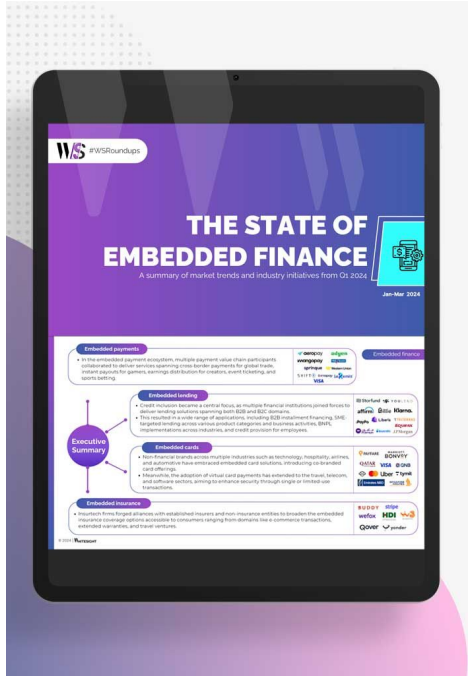
SEB Embedded

- **SEB Embedded** launched **Hemköp Matkonto**, a banking service for Hemköp customers powered by **Vault Core.**
- The service will include current accounts designed to manage food budgets while earning loyalty points.

Further reading that might interest you

The State of Open Finance (H1 2024)

View Report



The State of Embedded Finance (Q1 2024)

View Report

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This report has been authored by WhiteSight.

To access the underlying data with further coverage and references, please reach out to us at hello@whitesight.net

Fintech giants like Apple & Stripe are already leveraging these fintech themes.

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