

by Anupam Majumdar, 12 June 2025

Money 20/20 Europe: What's Next for Payments?

Flagship Advisory Partners recently attended Money 20/20 Europe 2025 in Amsterdam, a pivotal event for the global fintech and payments industry. Our team engaged with key players and emerging innovators, gathering crucial insights into the trends shaping the future of finance.

Flagship's Key Industry Takeaways

1. Stablecoins: Hype vs. Reality

- Stablecoins emerged as one of the most discussed topics on the conference floor, particularly in the context of cross-border payments. Enthusiasm centers on their potential to serve as a cost-effective and transparent alternative to the often opaque correspondent banking system, especially in emerging market flows.
- However, key concerns persist around adoption, commercial models, and unresolved regulatory and treasury management hurdles. Questions remain about the heavy reliance on USD-denominated stablecoins, raising issues of monetary sovereignty for the EUR and GBP zones.

2. AI Transforming Product Innovation

- AI featured prominently across multiple tracks, notably in product innovation (e.g., advanced fraud detection and mitigation of GenAI threats) and operational efficiency (e.g., AI integration into marketing, digital commerce, and internal operations).
- Recent announcements regarding agentic AI for checkout sparked a wide spectrum of views. While some attendees noted practical deployment challenges and a longer-term horizon, others saw it as a near-term game-changer with transformative potential.

3. Wero - Europe's Sovereignty Play

- The Wero (EPI) initiative attracted substantial attention, with Europe aiming to strengthen its sovereignty in payments and reduce dependency on USD-backed stablecoins and non-EU wallet ecosystems.
- Initial rollouts in France, Germany, and Belgium target P2P use cases. Market observers are closely watching how adoption scales, particularly around cross-border functionality and ecosystem incentives.

4. Open Banking: Expanding Beyond Payments

- While open banking payments progress slowly, fintechs are pushing new use cases—particularly in credit underwriting and fraud prevention—leveraging transactional data for more intelligent decisioning.
- Visa and Tink unveiled new offerings, and discussions continued around strategies to reduce friction and accelerate adoption.

5. Rise of PayFac-as-a-service models

- ISVs and SaaS platforms are solidifying their role as vital distribution channels for SMB merchant payments.
- The growing presence of mature ISVs at Money20/20 highlights their evolution from peripheral players to fully-fledged PSPs and fintechs.

6. All Eyes on Embedded Lending

- With embedded payments reaching maturity, attention is rapidly shifting to embedded lending as the next frontier.
- Solutions such as merchant cash advances and invoice financing are gaining traction across both use cases. This evolution is seen as a natural next step to deepen monetization and value capture beyond payments.

7. Renewed Growth Opportunities in Card Issuing

- The card issuing landscape in Europe has undergone a shift, revealing new growth opportunities after years of underinvestment.
- Opportunities include enhanced value-added services, embedded payouts within vertical SaaS platforms, and innovative new use cases tailored to evolving consumer and business needs.

8. B2B Payments and the Office of the CFO

- B2B Payments and the Office of the CFO Upcoming regulatory changes, such as mandatory B2B e-invoicing in some EU markets, are likely to expand the fintech addressable market. Conversations highlighted the growing convergence between CFO software and fintech services, driven by consolidation and cross-domain innovation.

9. Cross-Border Payments Remain a Hot Topic

- A2A cross-border payment solutions dominated the visual footprint, alongside stablecoin propositions.
- Leading players like Thunes, TerraPay, Dandelion, and Visa Direct showcased their latest offerings. Financial sponsors remain drawn to the space, enticed by attractive unit economics and ongoing disruption.

10. Private Equity Recalibrates Its Investment Focus

- PE firms are shifting focus from traditional merchant acquiring—now heavily consolidated—toward emerging fintech verticals.
- Areas of interest include vertical and horizontal SaaS, B2B payments, fraud prevention, and chargeback management, signaling a broader diversification of investment theses.

Please do not hesitate to contact Anupam Majumdar at Anupam@Flagshipap.com with comments or questions.