Fintech M&A Activity: Q3 2026

Fintech M&A in the third quarter of 2026 ran as two separate markets that happen to share a sector label. By count the quarter belonged to insurance and wealth consolidation, **39 of 88** announced transactions, almost none of which disclosed terms. By value it belonged to a single bid. Stripe and Advent International offered **$53 billion** for PayPal on 15 July 2026, and that one proposal accounts for **79%** of the quarter's disclosed consideration.

Strip it out and the picture is ordinary. Eleven remaining disclosed transactions total **$13.8 billion**, against $8.2 billion across seventeen in the second quarter. Deal count was effectively flat at 88 against 94. Any reading of Q3 that quotes the headline value without separating the PayPal offer describes a market that did not exist for the great majority of sellers.

The buyer composition is the quarter's most durable finding. Of 88 transactions, **86** were completed by strategic acquirers and **2** by sponsor-backed strategics. No financial sponsor appeared as a direct buyer at all. Thoma Bravo and Francisco Partners both transacted, and both did so through owned or controlled platforms rather than as classic financial buyers. A buyer list divided into strategic and sponsor columns misreads this market.

Windsor Drake calls the resulting structure **The Two Markets**. One is a high-count, privately priced consolidation market assembling distribution at a standing price. The other is a low-count, publicly priced strategic market in which incumbents buy a capability they lack. They have different buyers, different disclosure behaviour and different processes, and a founder belongs to one of them. This report sets out which is which and what follows from the distinction.

How active was fintech M&A in Q3 2026?

The counts below are computed from the Windsor Drake Exit Index, queried live on 21 August 2026 when it held 511 records. Q3 covers transactions announced between 1 July and 21 August, so it is a partial quarter and is labelled as one throughout.

Table 1. Announced Fintech Transactions by Quarter

Quarter	Transactions	Disclosing consideration	Disclosed value
2025 Q4	43	9	$14.7 billion
2026 Q1	10	3	$1.8 billion
2026 Q2	94	17	$8.2 billion
2026 Q3, to 21 August	88	12	$66.8 billion
2026 Q3, excluding the PayPal offer	87	11	$13.8 billion

Source: Windsor Drake Exit Index, queried live 21 August 2026, deduplicated basis. Q3 is a partial quarter.

Read the count rather than the value. Volume across the two most recent quarters is stable at 94 and 88, which is the honest signal about market conditions. The eight-fold rise in disclosed value is one transaction announced in the second week of the quarter.

What are the two markets, and which one are you in?

Sorting the quarter by who bought and why produces two groups that behave almost nothing alike. The distinction matters more to a founder than any sub-sector label, because it determines the buyer list, the process and the structure of the consideration.

Table 2. The Two Markets, Q3 2026

	Consolidation	Strategic capability
Share of the quarter	39 of 88 by count	12 disclosed, $66.8B by value
Typical acquirer	Serial roll-up platform	Listed incumbent
Disclosure	Terms almost never published	Terms published
What is being bought	Distribution and a retainable book	A capability the buyer lacks
Pricing	Against a standing internal model	Against strategic necessity
Consideration	Frequently part earn-out	Cash or acquirer stock
Representative buyers	Arthur J. Gallagher, Inszone, Integrity	Visa, ICE, Goldman Sachs, Citi

Source: Windsor Drake analysis of 88 Q3 2026 transactions recorded in the Exit Index; company announcements.

The consolidation market

Insurance brokerage and wealth adviser roll-ups are the steady state of fintech deal count. Insurtech alone accounted for **27** transactions in the quarter and wealthtech a further **12**, together **44%** of everything announced. These buyers transact repeatedly and predictably: Arthur J. Gallagher, Inszone and Integrity each appear more than once in a single quarter's record.

Terms are almost never disclosed, and that is structural rather than accidental. Neither party is obliged to publish a multiple, consideration is frequently part earn-out, and the acquirer arrives with a house view on price formed before the first meeting. What a seller negotiates in this market is deviation from a standard structure, and the only reliable lever is competitive tension between buyers from the same cohort.

The strategic capability market

Every large transaction in the quarter was an incumbent acquiring something it did not have. Visa bought behavioural biometrics rather than more payment volume. ICE bought fixed income trading rather than more listings. Goldman Sachs bought an exchange traded fund platform rather than more assets under management. Citi bought a rewards engine rather than building one. Scale did not set price in any of them; the absence of a capability did.

These transactions disclose because listed acquirers must, which makes them the half of the market with usable public evidence. A seller in the consolidation market should still collect that evidence, because it is the only published pricing in the sector and it travels into any negotiation.

What were the largest fintech deals of the quarter?

Every transaction below is confirmed against a company announcement or a filing. The PayPal proposal is an offer under negotiation rather than a completed transaction and is labelled as such wherever it appears.

Table 3. Largest Disclosed Fintech Transactions, Q3 2026

Transaction	Value	Announced	What was bought
Stripe and Advent International / PayPal	$53.0B offer	15 July	A listed payments incumbent, bid jointly by a private processor and a sponsor
ICE / MarketAxess	$5.7B	30 July	Fixed income trading, all cash
Visa / BioCatch	$2.4B	4 August	Behavioural biometrics into value-added services
Goldman Sachs / NEOS Investments	$2.25B	12 August	An exchange traded fund platform
Francisco Partners / Moneris	$1.4B	12 August	A Canadian payments processor, via a sponsor platform
Equifax / Circulo de Credito	$750M	7 July	Credit data reach into Mexico
Munich Re / At-Bay	$575M	19 August	Cyber underwriting capability

Source: Company announcements, SEC filings and investor materials; Windsor Drake Exit Index.

Beneath the disclosed transactions the quarter also carried a run of undisclosed capability deals worth noting for the buyer signal rather than the price: Euroclear acquiring the registrar Uptevia, Nasdaq acquiring the alternative trading system LeveL Markets, Okta acquiring Permiso Security, Checkr acquiring Truv, Western Union acquiring Intermax and Bloomberg acquiring Canoe Intelligence.

Who is actually buying fintech companies?

The acquirer composition is the finding a founder should act on, because it determines how a buyer list should be built and where competitive tension can realistically be created.

Table 4. Acquirer Composition, 88 Q3 2026 Transactions

Acquirer type	Transactions	Share
Strategic	86	98%
Sponsor-backed strategic	2	2%
Financial sponsor acting directly	0	0%

Source: Windsor Drake Exit Index, queried live 21 August 2026.

Sponsors have not left fintech; they have changed how they arrive. Thoma Bravo moved on Accelerant and Francisco Partners acquired Moneris for $1.4 billion, both through platforms rather than as direct financial buyers, and Advent's role in the PayPal bid is a partnership with a strategic rather than a classic buyout. The most active buyer category in this market is the sponsor-owned platform acting with strategic intent, and it belongs on the same list as the incumbents rather than in a separate column.

Where the volume sat by sub-sector

Insurtech at 27 transactions and wealthtech at 12 led the count, followed by capital markets technology at 9, business payments at 6, treasury and cash management at 6, card issuing at 5, and crypto and financial data at 4 each. The sub-sector that dominated the count is not the one that dominated the value, which is the two markets visible in a single distribution.

What do financing conditions mean for the next four quarters?

The private funding backdrop is thinning while strategic appetite holds, and that combination supports trade sale volume rather than suppressing it.

Table 5. Fintech Financing Conditions, Q2 2026

Measure	Level	Change
Fintech funding	$11.7 billion	Down 20% quarter on quarter
Funding deal count	726	Down 25%, fewest in over four years
Fintech IPOs	4	A four year low
New fintech unicorns	4	Formation continuing
Digital banking funding	$2.6 billion	Nearly doubled
Federal funds target range	3.50% to 3.75%	Held
Global buyout dry powder	about $1.3 trillion	Available but routed via platforms

Source: CB Insights, State of Fintech Q2 2026; Bain & Company; Federal Reserve.

A narrow listing window removes a pricing reference for private assets and pushes owners toward trade sale. Stable rates remove monetary policy as an explanation for any repricing, which means what moved in fintech this quarter moved for structural reasons. And the concentration of funding into fewer, larger private rounds is producing scaled private companies that act as acquirers rather than only as targets, of which Stripe bidding for PayPal is the extreme case.

What should founders do now?

A full sale process runs 12 to 18 months from preparation to close, so the market a founder ultimately meets is the one that exists when preparation begins rather than when it ends. Three pieces of work follow directly from the quarter's data.

First, establish which of the two markets the business belongs to and design the process for that market rather than for the sector. A capability asset run through a roll-up process will be priced against a standing model, and a consolidation target run as a strategic auction will find no strategic buyers. Second, build the buyer list around incumbents and sponsor-owned platforms as one combined list, because 98% of the quarter's transactions came from that group and the strategic-versus-sponsor split no longer describes it. Third, construct the comparable evidence yourself. Twelve of 88 transactions disclosed terms, and they are concentrated among listed acquirers, so a seller facing a serial consolidator will have no public precedent unless they assemble it.

Key takeaways for founders

Translating the quarter into strategy means concentrating on six areas that consistently determine outcomes in the current fintech M&A market.

1. Know which of the two markets you are in

The consolidation market is 39 of 88 transactions and prices privately against a standing model. The strategic market is rarer, discloses terms and pays for capability. The process, the buyer list and the structure all differ.

2. Do not benchmark against the headline quarter

The PayPal offer is 79% of Q3 disclosed value. Excluding it, eleven transactions total $13.8 billion. The ex-PayPal figure is the one a mid-market seller should reference.

3. Build one buyer list, not two

86 of 88 transactions were strategic and 2 were sponsor-backed strategics. The sponsor-owned platform acting with strategic intent is the most active category and belongs alongside the incumbents.

4. Insurance and wealth are the volume engine

Insurtech at 27 deals and wealthtech at 12 are 44% of the quarter. If the business sits in either, the relevant buyers are serial acquirers who have bought comparable books repeatedly and recently.

5. Capability is what incumbents pay for

Visa bought biometrics, ICE bought fixed income trading, Goldman bought an ETF platform, Citi bought a rewards engine. None bought scale. Position as the capability an acquirer lacks rather than as more of what they have.

6. Bring the evidence, because most of the market will not

Twelve of 88 transactions disclosed consideration. A seller facing a consolidator will negotiate against a private comparable set they cannot see unless they build their own and put it on the table first.

- CB Insights, State of Fintech Q2 2026
- KPMG International, Pulse of Fintech H2 2025
- Bain & Company, Global Private Equity Report 2026
- Federal Reserve, FOMC statement and Summary of Economic Projections
- Intercontinental Exchange, agreement to acquire MarketAxess
- PayPal Holdings, company disclosures relating to the Stripe and Advent proposal
- Visa, agreement to acquire BioCatch
- The Goldman Sachs Group, agreement to acquire NEOS Investments
- Munich Re, agreement to acquire At-Bay
- Equifax, agreement to acquire Circulo de Credito
- Bank for International Settlements, Annual Economic Report 2026
- U.S. Securities and Exchange Commission, transaction filings for all disclosed Q3 2026 transactions

Methodology Note

Framework. The Two Markets is a Windsor Drake framework. Transactions are assigned to the consolidation market or the strategic capability market according to whether the acquirer is assembling distribution at a standing price or acquiring a capability it lacks. The assignments are the firm's judgement and are published so they can be argued with.

How the quarter was counted. Transaction counts, acquirer mix and sub-sector mix are computed from the Windsor Drake Exit Index, queried live on 21 August 2026 when it held 511 records. Q3 2026 covers transactions announced between 1 July and 21 August 2026 and is therefore a partial quarter, labelled as one throughout.

Deduplication. The live index carried duplicate entries for four Q3 transactions, including the PayPal offer, which appeared twice. All counts and values here are stated on a deduplicated basis of 88 transactions and $66.8 billion of disclosed consideration. The raw index rows were 93 and $119.8 billion; the difference is entirely duplication and is stated so the two figures can be reconciled.

Offers versus completions. The Stripe and Advent proposal for PayPal is an offer under negotiation and is labelled as such wherever it appears. It is included in disclosed value because the consideration is public, and the figure excluding it is published alongside every total so a reader can use either.

Source standard. Inputs are restricted to top-tier institutions: bulge-bracket banks, the major consultancies, elite data houses, and primary regulatory and filing sources. Every transaction is confirmed against a company announcement or a filing. Boutique and market-report vendors are excluded, as are rival advisory firms.