Payments M&A Activity: Q3 2026

Payments M&A in the third quarter of 2026 ran in two directions at once. Thirteen transactions announced between 1 July and 25 August are confirmed to a company announcement, an SEC filing or an exchange release. Nine were operating incumbents buying a capability that sits around the transaction; four were sponsors and carve-out buyers taking the base underneath it. The two largest arrived seven days apart and point opposite ways: Visa agreed to pay **$2.4 billion** in cash for the behavioural biometrics firm BioCatch on 3 August, and Francisco Partners agreed to buy Moneris from Bank of Montreal and Royal Bank of Canada for approximately **C$2.0 billion** on 10 August.

The mechanism is published quarterly by the buyers themselves. In the quarter ended 30 June 2026 Visa reported data processing revenue of $6.042 billion, up **17%**, against payments volume growth of **10%** on a constant dollar basis. Mastercard reported value-added services revenue up **20%** against gross dollar volume up **8%**. At both networks the services layer compounds at roughly twice the rate of the transactions beneath it. An acquirer paying for volume is paying for the slower half of its own income statement.

The same cascade runs further down the stack. PayPal reported total payment volume of $486.4 billion, up 10%, against transaction margin dollars up **1%**. dLocal grew volume **92%** and gross profit **29%**. Payoneer disclosed a take rate of **116 basis points**, down 10 basis points on volume up 15%. Toast, the one software-led operator in the set, turned volume growth of 22% into fintech gross profit growth of 26%. Where software governs the payment the spread holds; where it does not, it narrows as volume rises.

Windsor Drake calls the resulting structure **The Perimeter Trade**. Incumbents buy the perimeter: fraud intelligence, loyalty and commerce media, wallet and issuing control layers, settlement optionality. Sponsors and consolidating operators buy the base: merchant acquiring, terminals and vertical software with payments attached. The two have different buyers, pricing logic and processes, and a founder belongs to one of them. This report sets out which transactions fell on each side and what follows.

How active was payments M&A in Q3 2026?

The record covers transactions announced between 1 July and 25 August 2026, so the quarter is partial and labelled as one throughout. Every price is the acquirer's own.

Table 1. Payments Transactions, 1 July to 25 August 2026

Buyer and target	Announced	Side	What the buyer acquired
Nium / Cypher	8 Jul	Perimeter	On-chain rails, wallet and issuing
CSI / Qolo	14 Jul	Perimeter	Issuing and ledger control layer
FinWise Bancorp / Tallied platform	20 Jul	Perimeter	Card operating system, asset purchase
Payward / Magic Labs wallet business	27 Jul	Perimeter	Embedded wallet infrastructure, carve-out
Visa / BioCatch	3 Aug	Perimeter	Behavioural biometrics, $2.4bn cash
OEConnection / epyx and sister companies	5 Aug	Base	Corpay UK vehicle payments unit
Francisco Partners / Moneris	10 Aug	Base	Canadian acquiring, about C$2.0bn cash
Rain / Ansa	12 Aug	Perimeter	Stored-value and closed-loop wallets
StoneX Group / Banco Travelex	12 Aug	Base	Brazilian foreign exchange bank charter
Citigroup US Consumer Cards / Kard	13 Aug	Perimeter	Card-linked commerce media
DivDat / Meridian Integration	13 Aug	Perimeter	Engagement software, kiosk bill pay
Francisco Partners / Weave	18 Aug	Base	Healthcare software, about $650m
Nayax / IPS Group	25 Aug	Base	Smart parking payments, $350m cash

Source: Company announcements, SEC filings and exchange releases, July and August 2026. Perimeter and base assignment is Windsor Drake's.

Four transactions published consideration. Beyond Visa and Moneris, Francisco Partners took Weave private at **$7.40** a share, about **$650 million** of equity and a **34%** premium to the 17 August close, and Nayax agreed to buy IPS Group from Windjammer Capital for **$350 million** in cash. Nayax states IPS 2026 revenue above **$90 million**, over 60% recurring, pricing the deal at approximately **3.9 times** revenue on the firm's computation.

One buyer set the pace: Francisco Partners agreed to acquire Moneris, take Weave private and, through its portfolio company OEConnection, buy Corpay's UK vehicle payments unit, all inside fourteen days. In the wider market KPMG recorded **$44.2 billion** of payments investment across **168** deals in the first half of 2026, against $20.2 billion across 577 deals in all of 2025. Capital per transaction rose sharply as count fell.

Why are incumbents buying the perimeter, not volume?

Because the perimeter is where revenue is repricing, and the buyers publish it every quarter. The table sets the services layer against the volume it sits on at both card networks.

Table 2. Services Revenue Growth Against Volume Growth

Measure	Visa	Mastercard
Volume growth, year on year	Payments volume up 10%	Gross dollar volume up 8%
Services revenue growth	Data processing up 17%	Value-added services up 20%
Services revenue reported	$6.042 billion	Within $9.3 billion net revenue
Cross-border volume	Up 12% ex intra-Europe	Up 12% in local currency
Net revenue	$11.6 billion, up 14%	$9.3 billion, up 14%
Transactions	71.7 billion processed, up 10%	Switched transactions up 9%

Source: Visa Inc. fiscal third quarter 2026 results and Form 10-Q, 28 and 29 July 2026; Mastercard Incorporated second quarter 2026 results, 30 July 2026.

A capability that improves fraud detection, adds a media revenue line or governs how a card is issued earns from the same transaction count without touching the interchange pool. That is the logic behind Visa buying BioCatch, which Visa describes as covering 1.8 billion devices and 760 million users, and behind Citigroup buying the merchant-funded offer engine Kard Financial.

Five of the thirteen bought a control layer for issuing, ledgers or stored value: CSI acquired Qolo, FinWise bought the Tallied card operating system, Payward carved wallet infrastructure out of Magic Labs, Rain acquired Ansa and Nium acquired Cypher. Settlement optionality is bought the same way. Visa reported a **$7 billion** annualised stablecoin settlement run rate across nine chains on 29 April 2026 and Mastercard extended settlement to stablecoins on 3 June, against adjusted stablecoin value of about **$390 billion** a year on the Bank for International Settlements' measure.

Why is owning payment volume worth less than it was?

Because volume growth no longer reaches profit. Each operator below publishes a volume and a profit figure for the same period, which makes the compression measurable rather than inferred.

Table 3. Volume Growth Against Profit Growth, Latest Period

Operator	Volume	Growth	Profit measure and growth
PayPal	$486.4 billion	Up 10%	Transaction margin dollars $3.9 billion, up 1%
dLocal	$17.7 billion	Up 92%	Gross profit $127.2 million, up 29%
Adyen	803.8 billion euros	Up 24%	Net revenue 1,302.9 million euros, up 19%
Toast	$60.7 billion	Up 22%	Fintech gross profit $359 million, up 26%
Payoneer	$23.7 billion	Up 15%	Take rate 116 basis points, down 10 basis points

Source: PayPal Holdings, 28 July 2026; dLocal, 13 August 2026; Adyen N.V. first half results, 13 August 2026; Toast, Inc., 4 August 2026; Payoneer Global Inc., 6 August 2026.

Toast is the exception that explains the rule. Where the payment sits inside software the merchant runs its business on, the spread is defended by the software rather than the processing contract. McKinsey's January 2026 work puts the arithmetic plainly: a vendor on a referral partnership retains **30% to 50%** of processing revenue, a payment facilitator **70% to 90%**. US processing revenue flowing through software vendors reached a projected **$16 billion** in 2025, against $6.5 billion in 2020.

That is why the sponsor bid landed on vertical software rather than pure processing. Weave sells patient engagement and payments to more than 40,000 healthcare locations; IPS Group runs meters, mobile payments and software across more than 250,000 parking spaces at over 60% recurring revenue. Recurring revenue is what a direct lender underwrites.

Who actually buys payments companies?

The Windsor Drake Exit Index, queried live on 25 August 2026, returned 528 rows, reducing to 506 unique transactions once duplicate rows are collapsed. Within that set the payments perimeter is 130 transactions.

Table 4. Acquirer Composition Across 130 Payments Transactions

Measure	Value	What it establishes
Transactions in the payments perimeter	130	Across seven payments sub-sectors
Strategic acquirers	123, or 94.6%	Payments is bought by operators, not by funds
Sponsors and sponsor-backed strategics	7	Sponsor participation concentrates in the base
Distinct acquirers	117	Almost one buyer per transaction
Acquirers appearing more than once	10	Accounting for 23 transactions between them
Most frequent buyers	Stripe at four, Visa at three	Mastercard, Fiserv, Nuvei, Euronet, Bill.com, PayTabs, MoonPay and GSTechnologies at two

Source: Windsor Drake Exit Index, queried live 25 August 2026, deduplicated basis. Deduplication method in the methodology note.

The shape of that record matters more than any figure in it. With 117 distinct acquirers across 130 transactions, payments has no dominant consolidator: it is bought by many operators taking one asset each, the opposite of the insurance and wealth roll-ups elsewhere in the same index. That cuts both ways. No house price is set by a serial buyer to argue against, and no cohort of near-identical bidders waits either.

The repeat buyers are the most reliable evidence in the record. An acquirer that has bought the same capability twice has a thesis, a playbook and a precedent price. Stripe at four and Visa at three lead, with Mastercard, Fiserv and Nuvei behind them.

How is regulation changing what payments assets are worth?

Several regimes reprice the transaction inside the next eighteen months, each reducing the value of owning volume alone, and each carries a published date that lands inside a sale process begun today.

Table 5. Regulatory Changes Repricing the Payment Transaction

Regime	Effective	What changes
US merchant interchange settlement, EDNY	Final approval hearing November 2026	Average effective US credit interchange falls 10 basis points for five years; standard consumer credit capped at 125 basis points
Reserve Bank of Australia, retail payments	1 October 2026	Consumer credit interchange capped at 0.30%, debit at 8 cents or 0.16%, surcharge prohibition removed
Reserve Bank of Australia, foreign cards	1 April 2027	Foreign-issued card transactions capped at 1.0% of value
UK Payment Systems Regulator, PS26/1	November 2026, then July 2027	Pricing governance, then fee transparency and six months' notice on fee changes
FCA safeguarding regime, PS25/12	7 May 2026	Interim reconciliation, audit and monthly reporting duties
EU Instant Payments Regulation	9 April 2027	Euro-area payment institutions must send and receive instant payments

Source: Visa Inc. Form 8-K, 10 November 2025; Reserve Bank of Australia conclusions paper, 31 March 2026; UK Payment Systems Regulator PS26/1, 30 July 2026; Financial Conduct Authority PS25/12; European Central Bank.

The direction is consistent across jurisdictions. Interchange, the oldest revenue line in card payments, is being capped, disclosed and litigated at once. Visa carried **$1,274 million** of accrued litigation and $888 million in its US litigation escrow at 30 June 2026. The services perimeter is where buyers are putting the value that leaves the interchange pool.

Licensing pushes the same way from the other side. The FCA's interim safeguarding regime, effective 7 May 2026, cites average shortfalls of **65%** of customer funds in payment firm insolvencies between 2018 and 2023. Regimes of that severity make a clean permission an asset rather than an overhead. StoneX bought a Brazilian foreign exchange bank charter this quarter; FinWise, itself a chartered bank, bought a card platform. Both are buying what takes years to be granted.

What should a payments founder do now?

Start by deciding which side of the perimeter the business sits on. A capability is sold to an operating incumbent, priced against the cost of building it in the time available and usually paid in cash; Visa paid cash for BioCatch. A base is sold to a sponsor or consolidating operator, priced against the cash it generates and the debt it can carry.

Financing supports the base bid without flattering it. The Federal Open Market Committee held its target range at **3.50% to 3.75%** at every 2026 meeting to date, and the 29 July vote was 9 to 3, with three members preferring an increase. The Federal Reserve put private credit at about **$1.4 trillion** against roughly $1 trillion of leveraged loans in the first quarter, and S&P Global Ratings recorded $146 billion of private credit lending to B minus and below borrowers in 2025. Direct lenders underwrite a recurring software base quickly, which is why the sponsor bid concentrates there.

Supply is the variable to watch. Global Payments closed its acquisition of Worldpay and the divestiture of Issuer Solutions on 12 January 2026, creating an operator carrying about $3.7 trillion of annual payment volume, with FIS taking Issuer Solutions at a **$13.5 billion** enterprise value. Worldline cut net debt to 1,165 million euros at 30 June from 2,219 million a year earlier. Fiserv reported organic revenue down **5%** in the June quarter, cut guidance to between minus 1% and flat, and opened a portfolio review. Bain & Company counts roughly 33,000 unsold sponsor portfolio companies at holding periods near seven years.

Key takeaways for payments founders

1. Decide which side of the perimeter you are selling

Nine of thirteen Q3 transactions were incumbents buying a capability; four were sponsors taking a base. The buyer list, process and consideration differ entirely, and the decision comes before the first approach.

2. Position against the services line, not the volume line

Visa's data processing revenue grew 17% against payments volume of 10%, Mastercard's value-added services 20% against gross dollar volume of 8%. A business argued as an extension of the faster line speaks the buyer's own language.

3. Attach and retention outrank throughput

PayPal grew volume 10% and transaction margin dollars 1%; Toast grew volume 22% and fintech gross profit 26%. The difference is software governing the payment. Attach and retention evidence outweighs processed volume in diligence.

4. Payments is not a roll-up market

The index records 117 distinct acquirers across 130 payments transactions. No dominant consolidator sets a house price and no cohort of identical bidders is waiting. Tension is assembled from buyers with different reasons to want the asset.

5. Two regulatory dates land inside a sale timetable

Australia's 0.30% cap on consumer credit interchange takes effect on 1 October 2026 and the UK pricing governance direction in November. A process begun now is diligenced across both. Model the effect before a buyer does it for you.

6. Carve-outs are the competition for buyer attention

BMO and RBC released Moneris, Corpay sold its UK vehicle payments unit and Fiserv opened a portfolio review. Scaled assets are reaching the same buyers, so a founder-owned business competes on evidence and process speed rather than scale.

Sources

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- StoneX Group Inc., Banco Travelex
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Methodology Note

Framework: The Perimeter Trade. Transactions are assigned to the perimeter or the base according to whether the buyer acquired a capability surrounding the transaction, such as fraud intelligence, loyalty, wallet or issuing control, or an installed base that processes it, such as merchant acquiring, terminals or vertical software with payments attached. The assignments are the firm's judgement, taken from each acquirer's stated rationale, and are published so they can be argued with.

Source standard. Inputs are restricted to top-tier institutions: company announcements and investor materials, SEC and exchange filings, central banks and regulators, the major consultancies and elite data houses. Every third-party figure carries the institution that published it and the date. Boutique market-report vendors and rival advisory firms are excluded.

The counting basis and deduplication. The transaction record covers payments transactions announced between 1 July and 25 August 2026, so Q3 2026 is a partial quarter, labelled as one throughout. Acquirer identity, type mix and repeat buyer counts are computed from the Windsor Drake Exit Index, queried live on 25 August 2026, which returned 528 rows. Rows are matched on normalised acquirer and target names, corporate suffixes and descriptive wording stripped, within a sixty day announcement window, and collapse to the earliest announcement. That removes 22 duplicate rows and gives 506 unique transactions, of which 130 sit in the payments perimeter across seven sub-sectors.

How the figures were computed, and the one derived estimate. Growth rates, volumes, revenues and take rates are as published by the company named beside them, in that company's reporting currency, and are not restated. One multiple is computed by the firm: Nayax's $350 million consideration for IPS Group against the 2026 revenue above $90 million stated in the same announcement gives approximately 3.9 times revenue, labelled as the firm's computation wherever it appears. Two transactions in the window are excluded for want of a primary source and named for completeness: Mintoak and ICC Loyalty, and Convey and Selectron.

Attribution and related research. Exit Index figures are the firm's own computation from its proprietary transaction record; all other figures are attributed to the institution that published them. This page covers activity: who transacted, at what cadence and on what structure. Pricing is covered in Payments Valuations: Q3 2026 under The Closed Loop Premium, attach economics in Embedded Payments 2026 under The Attach Ladder, and payment facilitator spreads in The PayFac Economy 2026 under The Spread Stack.