Partnering for payment modernization

How leading banks and retailers are unlocking the future of payments

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Foreword

The pace of change in the payments ecosystem has been extraordinary. Two primary forces have been driving the momentum — digital currencies and AI — and both have the power to radically disrupt the payments space for banks and retailers.

The rapid evolution of digital currencies and, more importantly, the underlying distributed ledger technology, potentially provides greater speed, efficiency, security and acceptance. Today, digital currencies are creating alternate rails that could fundamentally transform the traditional payment ecosystem (and, in doing so, disintermediate many financial institutions). With SWIFT's planned introduction of a blockchain-based ledger,[1] a fundamental shift in payment technologies is now underway.

The other big disruptor is AI — agentic commerce in particular. Recent estimates suggest that around half of ChatGPT users in the US asked the tool to help them with their holiday shopping this year. Now, chatbots capable of not only selecting products, but also now paying for them, are emerging and transforming the purchasing patterns of AI native consumers. Big AI companies are at the forefront. But, as we noted in a recent report,[2] many of the world's largest retailers are rapidly developing their own agentic shoppers. Those left out of the action are increasingly worried they, too, will be bypassed by their customers.

Banks and retailers will need to move quickly to adapt to this new environment or face the real risk of obsolesence. And that is putting significant urgency behind efforts to rapidly modernize payment infrastructure, processes and operations across both sectors.

In this fast-paced, high-risk environment, banks and retailers cannot afford to work in isolation. Indeed, the only way to keep pace with the pace of change in technology, consumer preferences and competitive environment is through partnerships — not only between legacy banks and retailers, but also with technology providers, regulators, fintech startups and consumers.

Based on a global survey of 500 banking leaders and 500 retail executives, including chief financial officers, heads of customer experience and strategy executives, this report explains how the leading players are building partnerships to drive rapid progress, achieve innovation and meet customer expectations. Supported by insights from KPMG's global network of banking and retail professionals, the report provides payment decision-makers with the data and ideas they need to keep pace with the rapid changes now at play across the payment ecosystem.

We encourage you to learn more about the findings and to discuss your organization's unique opportunities with your local KPMG member firm, including how partnerships can help you thrive in a disrupted environment.

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[1] SWIFT, "Swift to add blockchain-based ledger." 29 September 2025.
[2] AI in retail: Global lessons from strategy to storefront, KPMG International, 2025.

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Executive summary

As customer expectations evolve and new payment options are rapidly introduced into markets around the world, chief financial officers, heads of customer experience and strategy leaders at banks and retailers are seeking to pick up the pace of their payment modernization programs. Budgets are increasing. Core capabilities are being enhanced. Legacy systems are being replaced. And organizations are placing a sharper focus on the needs and expectations of their customers.

In this environment, the leading banks and retailers are those forming dynamic and value-driven ecosystems and partnerships that support their modernization objectives while unlocking opportunities for future innovation and payment technology integration.

Yet this survey suggests that progress along the payment modernization path has been uneven. Indeed, while some banks and retailers are boldly leading the way (or quickly following), many are quickly falling behind — opening themselves up to increased disruption and potential disintermediation.

This report is intended to help those responsible for payments, corporate strategy, transformation and operations at banks and retail organizations to assess the current competitive environment and benchmark their progress against their peers as they update and evolve their payment modernization strategies.

In the context of this report leaders and beginners are defined as follows:

Leaders are the organizations that show the highest level of progress in payment modernization. They fall within the top 20 percentile of all surveyed respondents based on their maturity scores. These are typically large institutions with revenues over US$10 billion, such as neobanks in banking and e-commerce platforms in retail, which are most likely to score as leaders.

Beginners are the organizations with the lowest level of progress in payment modernization. They fall within the bottom 20 percentile of surveyed respondents. These organizations tend to have less mature modernization capabilities and often lack the scale, resources or modern architectures seen in higher performing peers.

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Based on a survey of 500 bank and 500 retail payment executives conducted by KPMG International between 8 September and 30 October 2025, this report highlights a number of key findings that illustrate the complexity and urgency of payment modernization for banks and retailers, including:

1

Partnerships

With 53 percent of retailers saying that their banks understand their payment modernization goals and 51 percent of banks saying that the future winners in payments will be those with the best ecosystems, partnerships emerge as a key success factor in payment modernization.

2

Customer expectations

Banks and retailers say one of their top motivations for payment modernization is to meet customer demand for seamless, convenient and trusted payment options but only half of retailers say their banks are helping them improve the customer payment experience.

3

Innovation

With digital and tokenized payments high on the retail agenda and agentic AI rapidly transforming the payment modernization journey, banks and retailers are seeking to speed up the pace of innovation and commercialization of new payment technologies.

4

Integration

Siloed systems and legacy infrastructure continue to create challenges for banks and retailers seeking to rapidly adopt and integrate new payment technologies and maximize the value of their customer and payment data.

5

Investment

Retailers will increase their payment modernization budgets by 2.5 percent and one in five banks say their budgets will grow by 5 to 9 percent next year, suggesting organizations are stepping up their investments in order to deliver on their payment modernization objectives.

This report provides a summary of our findings, supported by practical and actionable insights from KPMG's global network of payment professionals and real-world case studies that illustrate the challenges and opportunities facing bank and retail executives as they seek to pick up the pace of their payment modernization programs. To explore the data in deeper detail, we encourage you to contact your local KPMG member firm.

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Building new partnerships

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The payment landscape is rapidly evolving with banks and retailers increasingly focused on providing their customers with seamless, convenient and trusted payment options. In this environment, banks and retailers are rapidly moving beyond traditional vendor-customer dynamics to embrace partnership and co-creation, encouraged by shared goals around operational efficiency, fraud prevention and regulatory compliance.

Both sectors have significant incentives to forge genuine partnerships. Banks offer robust infrastructure, compliance intelligence and sophisticated fraud prevention experience. Retailers deliver customer intimacy, consumer context and payment method utilization.

They are also focused on common objectives. Our survey shows that retailers and banks are both keen to replace their legacy payment infrastructure, enhance fraud prevention and meet customer expectations for seamless and secure checkout experiences. And they are looking to work together to accelerate payments transformation while minimizing disruption and complexity for customers.

The power of partnership

Significant partnerships are already underway. Banks and retailers are collaborating to standardize APIs, streamline integration and reduce implementation costs. They are sharing real-time data to enable faster threat detection, reduce chargebacks and strengthen authentication protocols. And they are working together to innovate around embedded finance, instant payments and biometric authentication.

Indeed, our survey reveals that many retailers credit their banks with helping them improve the customer experience, uncover valuable operational insights and solve payments issues. Forty-five percent say that their banks are proactively delivering payment solutions tailored to their needs. And most are confident that their banks understand their payment modernization goals.

Yet, while our data suggests that around half of all retailers and banks have taken concrete steps to forge closer partnerships around payment modernization, many others are still stuck in traditional vendor-customer relationships — creating significant gaps for those trying to forge ahead alone and tremendous opportunity for those working in partnership.

"Banks and retailers are both working to ensure that the consumer remains loyal, so the more effectively they can work together to share data, collaborate on new technologies and deliver new options to consumers, the stickier the relationship becomes," notes Puneet Mansukhani, Global Head of Digital and Technology Transformation for Retail at KPMG International and Co-Lead Consumer & Retail at KPMG in India. "If the banks, the service providers and the retailer can cohesively work towards the needs of the consumer and bring in personalization, the stickiness of the consumer towards all these service providers, including the retailer, increases multifold."

What retailers say about working with their transaction banks

Retail Q25. To what extent do you agree or disagree with the following statements about working with your transaction banks?

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Mind the gap

Banks and retailers who enjoy an open dialog around pain points are building more effective payments partnerships and achieving greater alignment around opportunities and challenges. The gap between expectation and understanding can be significant.

Consider this: in our survey, retailers report being much more troubled about fragmented and outdated payment infrastructure than banks realize. Such legacy systems can cause retailers to lose sales and market share and incur unnecessary operational costs. With a sharp focus on frictionless customer experiences and personalization, retailers also see inadequate access to consumer data and analytics as a bigger impediment than banks.

At the same time, many banks overestimate challenges like high costs and fee clarity. While fees are a major concern for about one quarter of retailers (particularly discount chains and warehouse clubs), many retailers believe their banks have done a good job on this front. The same is true for settlement delays. Banks are also overly focused on improving cross-border payments for retailers, even though just 4 percent see this as a challenge.

Expectation gaps between banks and retailers

		Retailer	Bank	Gap
Challenges that banks underestimate	Fragmented and outdated payment infrastructure	48%	27%	**+21 ppt**
	Gaining access to consumer data and analytics	54%	35%	**+19 ppt**
Challenges that banks overestimate	Managing cross-border payments	4%	40%	**-36 ppt**
	High costs/fee clarity	22%	56%	**-34 ppt**
	Settlement delays	23%	39%	**-16 ppt**
	Meeting demands for diverse payment methods and channels	30%	39%	**9 ppt**
	Fraud and security concerns	29%	37%	**-8 ppt**
Challenges that banks get right	Complying with complex, evolving regulations	50%	54%	**-4 ppt**
	Lack of omnichannel integration	35%	38%	**-3 ppt**
	Keeping pace with new technologies	47%	47%	**0 ppt**

Banks Q23: What are the biggest payment challenges that your retail clients face? Retail Q12: What are the biggest payment challenges that your company faces?

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Similarly, our data suggests that banks are perhaps investing significant time and effort into payment options that are of lower priority to retailers. The largest mismatch is with biometric payments, which nearly all banks now offer, but only one-third of retailers plan to use in the future. Other misalignments include in-app seamless payments, digitized payments and instant account-to-account payments.

What retailers actually want is more access to tokenized payments, buy now, pay later (BNPL) options and stored-value wallets. But fewer than half of the banks in our survey say they now offer these solutions to retailers.

"There's a continued checking challenge that must be undertaken by banks to really understand what customers, merchants and large corporates really need and want when it comes to making and receiving payments," adds Peter Harmston, Head of Payments Consulting at KPMG in the UK. "Banks may overcomplicate products when often the best approach is just to keep it simple and aligned to what their customers really want."

Retailers are also looking for more value-added services from their transaction banks. Around a third of retailers say they would like to receive consolidated KPI dashboards that aggregate payment performance. More than a quarter are looking for more transparent pricing models, while 28 percent say they want access to transaction data to help them personalize offers and loyalty programs.

Payments that retailers want in future compared with what banks now offer

Retailer demand is higher	Retailers	Banks	Gaps
Tokenized payments	84%	46%	**+38 ppt**
Buy now, pay later (BNPL)	67%	42%	**+25 ppt**
Stored-value wallets	73%	49%	**+24 ppt**
Smartphone pass-through wallets	93%	76%	**+17 ppt**
Retailer demand is lower	**Retailers**	**Banks**	**Gaps**
Biometric payments	33%	97%	**-64 ppt**
In-app seamless payments	32%	80%	**-48 ppt**
Real-time cross-border payments	56%	95%	**-39 ppt**
Digitized payments (e.g. bitcoins)	21%	58%	**-37 ppt**
Instant account to account	69%	98%	**-29 ppt**

Banks Q25: Which of the following areas of payment modernization support does your bank now offer to retail companies? Retail Q15: Which of the following payment methods does your company plan to start to use or use more over the next three years?

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Greater support for security and compliance is also higher on retailers' wish lists than many banks assume. A quarter of retailers say they would like more support when onboarding and managing alternate payment rails. A similar number want help implementing strict access controls to limit who can view or modify sensitive information.

While retailers say their banks are doing a good job providing them with core payment capabilities, nearly one in five say they would like greater support for real-time payment initiation, refunds and reconciliation, as well as embedded payment APIs that support seamless integration into POS systems, mobile apps and e-commerce platforms.

Building ecosystems of value

With 51 percent of banks saying that the future winners in the payment sector will be those that develop the best ecosystems and 47 percent of retailers saying they expect to work with multiple payment service providers over the next five years, it is clear that robust partnerships and ecosystems will be essential for payment innovation.

"Shiny new features are great, but what retailers really want is for their banks to provide fewer interfaces, cleaner data and more transparency," adds Dennis Kiratli, Senior Manager, Finance and Treasury Management at KPMG in Switzerland. "They want their banks to work with their other vendors — their ERP, their treasury management systems and their other banks — to open up their data siloes and to move away from traditional product provider relationships to instead become a solution partner."

Support that retailers receive and would like from banks

		Receive support	Would like support
Analytics and optimization	Transparent pricing models and fee structures	67%	26%
	Consolidated KPI dashboard	58%	31%
	Advice on payment routing to minimize interchange fees	56%	27%
	Transaction data for personalizing offers, loyalty programs and conversion	52%	28%
Core payment capabilities	Support for real-time payment initiation, refunds and reconciliation	75%	19%
	Robust embedded payment APIs for POS systems, mobile apps and e-commerce	69%	19%
Security and compliance	Compliance support for PCI DSS, GDPR, PSD2	87%	10%
	Strict access controls to limit who can view or modify sensitive information	69%	22%
	Advanced security solutions, such as tokenization and encryption	68%	13%
	Support for onboarding and managing alternative payment rails	61%	26%

Retail Q24.Which of the following areas of payment modernization support does your company receive from your transaction bank and what kind of support would you like to receive?

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Yet our data suggests that only around half of all banks and retailers have made strong progress advancing their partner ecosystems, suggesting that many may be falling behind in their efforts to achieve faster and more effective payment modernization.

A partner ecosystem is vital for retailers and banks because it unlocks rapid innovation without costly in-house development. By teaming up with each other, as well as with other ecosystem partners (such as payment gateways, processors, networks and technology platforms) retailers and banks can gain access to plug-and-play solutions that accelerate time-to-market.

"Customer payment preferences are changing rapidly — particularly among digital-native generations — while new technologies like personal agents are threatening to disintermediate both retailers and banks," notes Isabelle Allen, Global Head of Consumer, Retail & Leisure for KPMG International. "Getting ahead of those trends will not only require better interaction between banks and retailers, it will likely require new approaches to driving the innovation ecosystem in ways that allow banks and retailers to remain relevant in the future."

The key is in identifying and selecting partners which enhance rather than compete with existing capabilities, combining payments expertise, security solutions and connectivity into seamless, integrated offerings.

"With the rise of digital currencies, it is increasingly clear that the future of payments lies in ecosystems of partners — banks, fintechs, retailers and tech companies, for example — where banks play a key orchestration role in providing a variety of services on top of great technology and modern payment infrastructure," adds Geoff Rush, Global Head of Banking and Capital Markets at KPMG International. "The big question is who will be the first to tie up some of these strategic partnerships and really differentiate themselves."

The bottom line is that partnerships between retailers and banks is no longer optional, but rather a key element in embedding trust, transparency and strategic agility into the payment experiences of tomorrow.

Midway or advanced in building a partner ecosystem

Bank

54%

Retailer

52%

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How banks are driving payment modernization

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For the leading banks, payment modernization is a strategic imperative that underpins their growth and innovation strategies.

Top reasons for payment modernization	All	Beginner	Leader
Meet customer demands	69%	50%	86%
Enhance security, resilience, fraud protection	69%	55%	83%
Boost cost efficiencies and performance	65%	65%	73%
Comply with evolving regulation	65%	62%	77%
Drive top-line growth and new business	57%	43%	68%
Replace outdated legacy systems	53%	58%	46%
Improve access to data and analytics	50%	33%	66%
Respond to competitive pressures	47%	53%	38%
Improve ability to innovate	44%	33%	65%

Banks Q10. What are the main reasons that your bank is modernizing its payments infrastructure?

Our data shows that banks modernize their payment systems for many reasons. When starting out on their payment journeys, modernization efforts are largely focused on cutting costs, complying with regulations, replacing outdated legacy systems, enhancing security or responding to competitive pressures.

But as banks morph into payments leaders, their modernization objectives become more strategic, focused on meeting customer needs, driving top-line growth, gaining access to data and improving innovation.

Investing in the future

Our research shows that many banks are still in the early stages of their current payment modernization programs. Yet progress varies depending on the region and type of financial institution. Banks in the Americas region report being further advanced than those in APAC and EMEA in all areas of payment modernization, likely due to their larger payments and transactional revenue. Banks in the Americas and APAC regions are also more likely to view payment modernization as a way to drive top-line growth and new business which likely adds extra impetus to achieving progress.

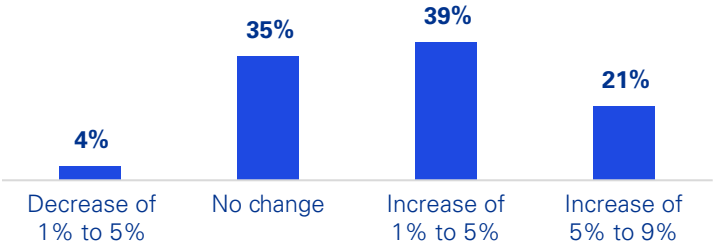
The importance of modernizing payment systems is reflected in the level of capital now being channeled into these programs. The data indicates that banks spent an average of US$96.9 million on payment modernization over the past fiscal year, demonstrating the magnitude of the transformation underway across the industry.

Full-service and corporate banks lead the investment charge; our survey indicateds they allocate US$151.1 million and US$146.7 million, respectively, although this amount can be higher from our experience based on geographic reach, breadth and type of a bank's payment modernization efforts. Regardless, it's likely reflecting the greater complexity multinational banks face when managing diverse payment channels, international transactions and regulatory compliance across multiple jurisdictions.

The spending distribution reveals stark divergence in modernization approaches, with 40 percent of banks reporting that they spent less than US$10 million on modernization, versus the 18 percent that say they committed US$100 million or more.

As the chief digital officer at one Canadian full-service bank noted, "Modernizing our payment system was expensive, so we broke it into smaller steps to keep costs under control and to avoid big disruptions."

Spending change over the next year



Banks Q28. How has your payment modernization budget changed over the last year and how do you expect it to change over the next year?

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Banks expect budgets to increase significantly over the next year as they seek to pick up the pace of their payment modernization programs. Indeed, 60 percent of our respondents indicate that they will increase their spend on modernization this year, with 21 percent reporting expected increases of 5 to 9 percent over their existing budgets.

Making progress

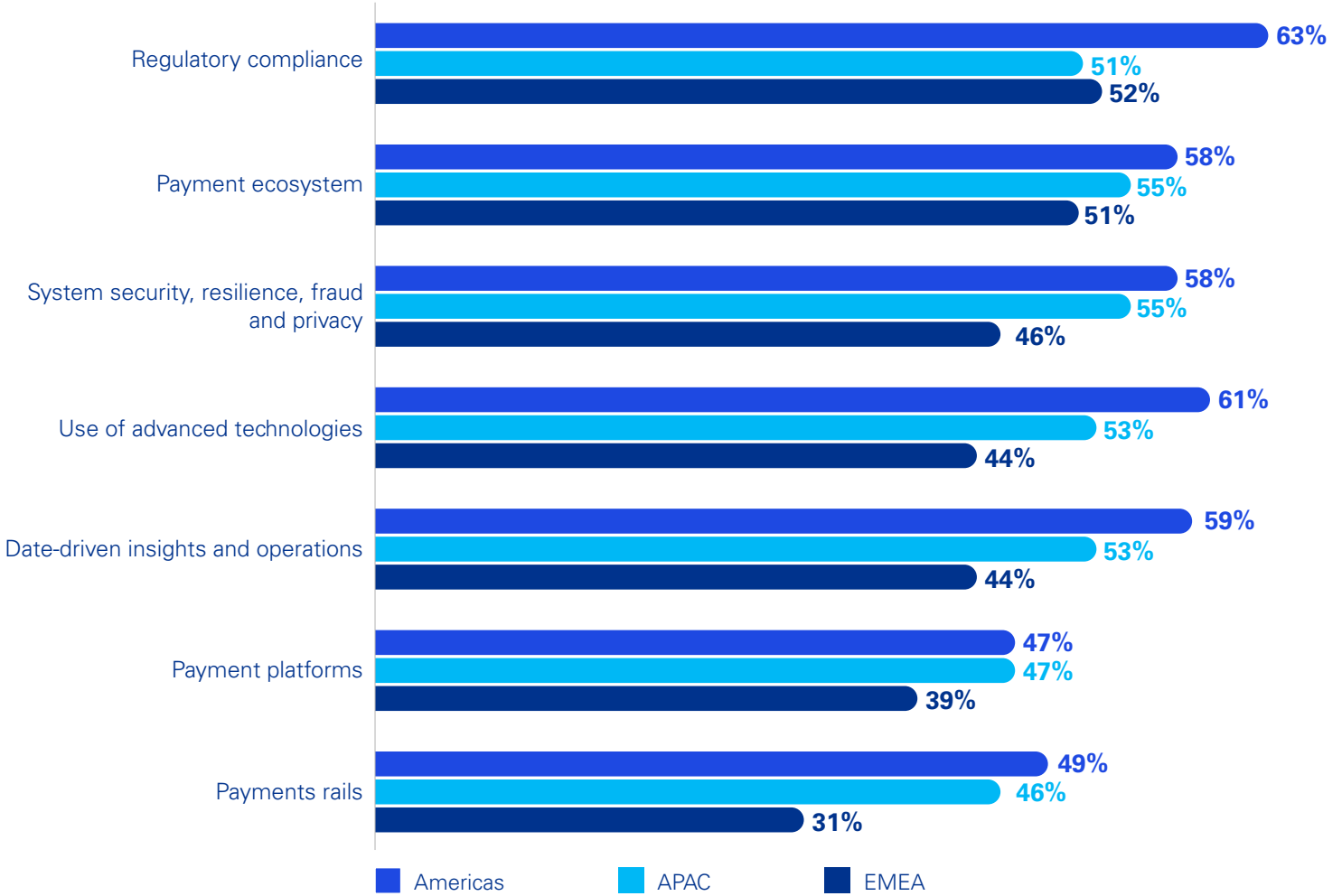
Interestingly, our data suggests that budget and company size are not necessarily the defining factors in driving payment modernization progress. Indeed, neobanks tend to report being well ahead in all areas of payment modernization, largely thanks to their cloud-native architecture and data management which allows easier integrations with ecosystem partners and services.

While deep-pocketed full-service and corporate banks are making rapid strides, smaller regional, mutual and retail banks are falling behind peers in every area of payment modernization. This could put greater competitive pressure on these banks if they fail to catch up.

Overall, the data suggests that banks have made the most progress on their payment ecosystems and compliance. But over the next three years, they will likely jump ahead in systems security, data-driven insights and payment platforms.

"Complexity and uncertainty around implementation of new technologies in traditional finance and decentralized finance have been a challenge for us," admits the technology head for a Singapore retail bank.

Percentage midway or advanced in areas of payment modernization by region



Banks Q12. How much progress has your bank made in payment modernization? How much progress do you expect to make over the next three years? Q27. What was your approximate budget for payment modernization over the last fiscal year?

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The digital imperative

To succeed in a rapidly evolving payments landscape, the vast majority of banks say they plan to focus on strengthening controls, shifting to cloud-native infrastructure and creating open banking capabilities. Somewhat tellingly, nearly all of the banks we identified as payment leaders say they are shifting from on-premises to cloud-native infrastructure and are implementing real-time payments platforms with middleware and orchestration layers, including links to multiple payment service providers, gateways and methods, versus just 15 percent of those we identified as beginners.

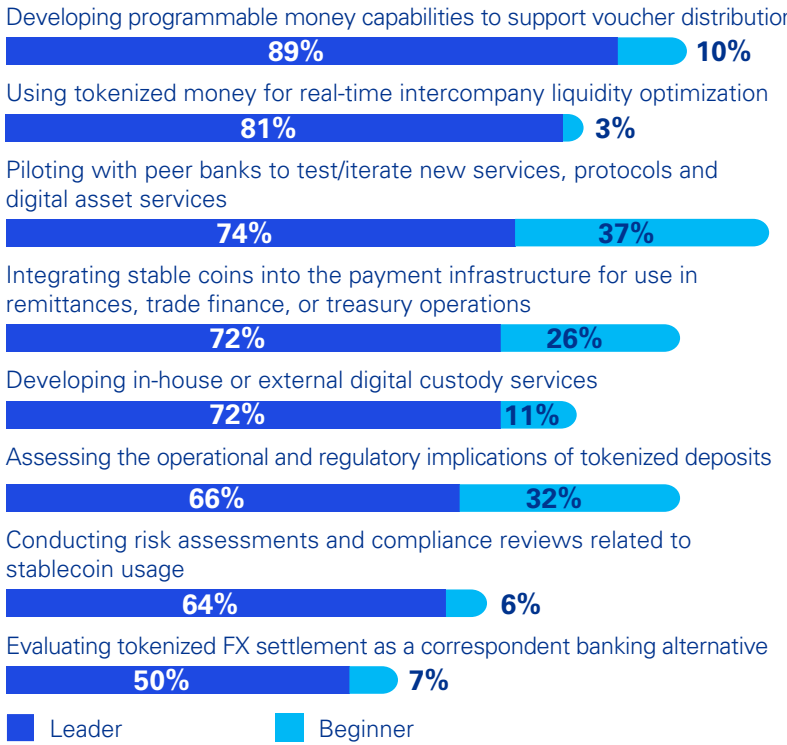
What really sets the leaders apart is the headway they are making on establishing digital asset rails and on/off ramps. Over half of the leaders are creating digital asset rails, compared to just 6 percent of beginners, giving leaders a decided advantage in speeding up cross-border payments, cutting out intermediaries and preparing for stablecoin opportunities.

"Put in the rails and create some optionality and you can go anywhere you want with any type of digital currency," notes Antony Ruddenklau, ASPAC Lead of Payments and Head of Financial Services Advisory at KPMG in Singapore. "Now is the time to start learning and participating in collaborative consortia to start to build use cases. I think we're at the beginning of a three-year cycle that can really push digital currencies into the mainstream. Doing nothing is simply not an option."

The tokenization gap

Although tokenization is still a small piece of the payments market, leaders see it as a powerful tool to drive payments efficiency. To prepare for the future, leaders are moving swiftly to incorporate it into their payment platforms with 64 percent saying they believe digital assets will dramatically cut costs and processing time.

Top tokenization steps



Banks Q19. What steps is your bank taking to incorporate tokenization into its payment systems? What steps does it plan to take over the next three years?

Source: Partnering for payments: How leading banks and retailers are unlocking the future of payments, KPMG International, February 2026.

The leaders are pulling out all the stops. Most are developing programmable money capabilities, using tokenized money for intercompany liquidity optimization, integrating stablecoins into their payment infrastructure and developing digital custody services.

As the chief digital officer at a German full-service bank noted, "We face the challenge of handling the customers' data safely and to overcome this we are using encryption and tokenization."

Beginners, by contrast, remain largely exploratory in their approach, focused on pilots and regulatory assessment rather than infrastructure or product transformation. This gap implies that leaders will likely capture first-mover advantages in efficiency, reduced correspondent banking dependence and new revenue streams from programmable payment services while the beginners may increasingly lose competitive positioning as tokenized payment rails and methods mature.

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Aligning the agents

Our data suggests that banks are fast-tracking AI to modernize payment systems and to take security, efficiency and personalization to the next level. Nearly every bank now deploys AI-powered chatbots for 24/7 customer service and uses AI to automate payment document generation.

Over the next three years, banks are expected to make AI work harder. The fastest-growing applications will likely include using behavioral and contextual data to develop personalized services, extracting insights from payment data for pricing decisions and augmenting network management across correspondent banks.

"AI is really helping banks re-imagine the whole payment process and applying the technology in areas — like investigations — that have traditionally been a heavy lift for their operations teams," says Courtney Trimble, Global Lead of Payments at KPMG International and Head of Payments at KPMG in the US. "The hot topic now is how agentic payments are expected to transform the ecosystem, the re-imagining of payments operations, and what steps will need to be taken to help ensure it is safe, efficient and cost effective for both banks and their customers."

In three years, the lion's share of banks are expected to be using AI-enabled biometrics to secure payments and agentic AI to process transactions autonomously.

AI will likely catapult fraud detection to new levels, with 85 percent of banks saying they will turn to AI for instant risk resolution.

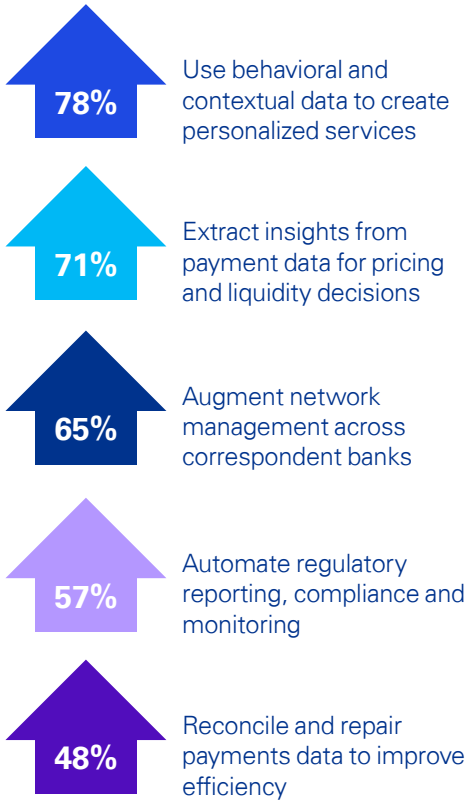
"We are tracking payment behavior of clients using AI to detect unusual patterns. We stop fraud that legacy systems often overlook," notes the director of payment technology at a large Canadian corporate bank. The chief transformation officer at a UK neobank agreed. "Cyber risks are rising as digital payments grow, so we are mitigating them through advanced threat monitoring and real-time analytics," they added.

Unlocking the value of ISO 20022

The shift to ISO 20022 is also driving significant payment modernization activity, with most banks saying they have already taken a variety of steps to implement the new standard, from upgrading core payment systems and onboarding processes to aligning payments strategy with real-time payment initiatives and investing in cloud-native or API-first infrastructures.

Over the next three years, they plan to do much more. Some of the fastest progress will be in enabling ISO 20022 adoption with corporate clients, monetizing enriched payment data through new value-added products and enhancing upstream/downstream systems to enable the use of structured data.

AI uses that are expected to grow the fastest over three years



Banks Q16. How is your bank using AI to modernize its payment systems? How does it plan to use AI over the next three years?

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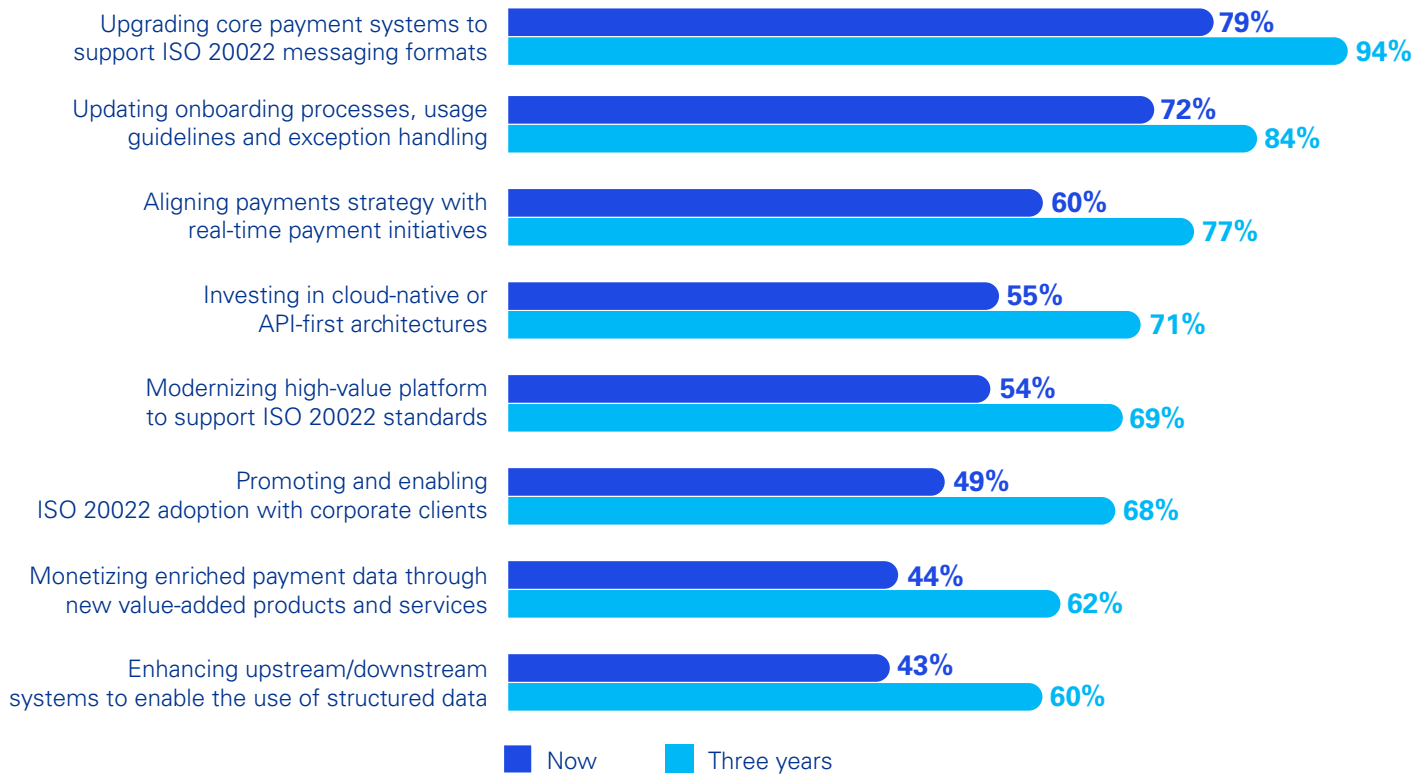
Areas of greatest ISO 20022 progress



Banks Q20. Where has your bank made the most progress in its ISO 20022 implementation? Where does your organization plan to make the most progress over the next three years?

Source: Partnering for payments: How leading banks and retailers are unlocking the future of payments, KPMG International, February 2026.

"Getting over the line with ISO 20022 was the priority for many banks, but now the focus has shifted to really pushing the change down the technology stack and across the ecosystem in a way that can unlock some of the benefits that banks promised their investment committees at the start of the journey," noted Peter Harmston, Head of Payments Consulting at KPMG in the UK. "There's a significant difference between being ISO compliant and ISO native, both in terms of technology and outcomes."

Substantial operational and strategic benefits should come from implementing the new standard, with many reporting improved reconciliation, as well as enhanced compliance and audit trails and improved straight-through processing. According to SWIFT, banks using ISO 20022 have reported that approximately 84 percent of their payment messages are now reviewed through automation, with false positives reduced by 25-30 percent.[3]

[3] Swift, "ISO 20022 for Financial Institutions: Focus on payments instructions" (2025).

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Beyond operational efficiency, the standard creates transparent transactions and strengthens AML, KYC and sanctions screening capabilities. The XML-based format's machine-readable structure enables banks to embed compliance checks directly into payment workflows, facilitating sanctions screening and beneficial ownership verification.

Many banks cite additional benefits, including deeper customer insights into payment trends and behavior patterns; increased ability to offer value-added solutions, such as reconciliation-as-a-service and enriched data analysis and reporting; and improved interoperability for cross-border transactions thanks to a single, universal messaging standard.

"Banks recognize there is significant value in the incremental data being generated through ISO 20022 but many are struggling to work out how to take that incremental data, to create new value-added services and uncover valuable insights for themselves and their customers," adds Courtney Trimble, Global Lead of Payments at KPMG International and Head of Payments at KPMG in the US. "As anyone working on ISO 20022 will tell you, compliance was just the end of the beginning — the value creating part is what comes next."

Responding to regulation

Other regulatory mandates are also adding pressure on banks to modernize their payments systems and infrastructure.

For their part, banks in APAC face unique interoperability challenges due to the absence of unified regulatory frameworks across very diverse markets while in EMEA, banks report a lower overall regulatory impact, likely reflecting EU's success in creating unified frameworks that reduce compliance complexity.

"Europe has now implemented a number of regulations aimed at encouraging digital innovation in payments — the EU Instant Payments Regulation, the EU Digital Operational Resilience Act (DORA) and Markets in Crypto-Assets (MiCA) all came into force in the last year, for example," adds Martijn Berghuijs, Head of Payments and Fintech at KPMG in the Netherlands. "That is giving banks the confidence they need to really start innovating on digital currencies and new payment options."

Top expected ISO 20022 benefits

1	Improved reconciliation	66%
2	Improved regulatory compliance and audit trails	60%
3	Improved straight-through processing	55%
4	More transparent transactions	54%
5	Improved AML, KYC and sanctions screening	48%
6	Deeper customer insights	46%
7	Increased ability to offer value-added solutions	42%
8	Improved interoperability for cross-border transactions	41%
9	Development of a modernized high-value platform	41%
10	Higher fraud detection rates	38%

Banks Q21. What are the main benefits that your bank has seen from complying with ISO 20022 to date?

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Crossing borders

Retailers may not be clamoring for new cross-border payment options, but that does not mean other multinational banking clients are not keenly interested in reducing the cost and friction of cross-jurisdictional payments.

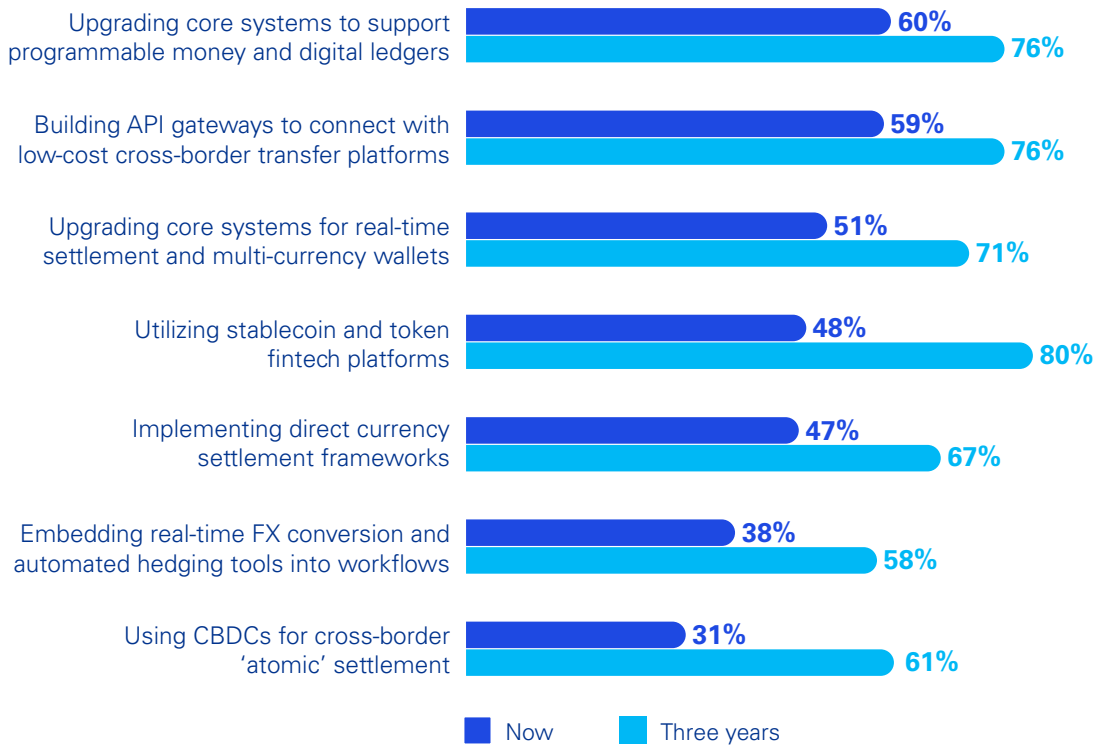
Our survey indicates that 60 percent of banks are upgrading core systems to support programmable money and digital ledgers in order to facilitate faster cross-border payments, while a similar number are building API gateways.

"Stablecoin has the potential to have a significant impact on cross-border payments by providing instant liquidity, greater efficiency and programmable finance components that can streamline cross-border payments for banking clients," adds Courtney Trimble, Global Lead of Payments at KPMG International and Head of Payments at KPMG in the US. "There are still some key interoperability and operational questions to be solved, but I think banks are now thinking seriously about how stablecoins will have the ability to transform the payments system more generally and now they will play."

Over the next three years, the data suggests that some banks will focus much of their attention on using central bank digital currencies (CBDCs) for atomic settlement, alongside efforts to establish stablecoin and token fintech platforms; however, these are not a one-size-fits-all approach and will be dependent on the specific jurisdiction of the bank. The implementation of real-time FX conversion tools will likely climb by 50 percent.

"Instead of competing with fintechs, we integrated their features into our portal to boost innovation and to make client relationships stronger," noted the director of strategy at one full-service bank headquartered in China.

Cross-border payment steps



Banks Q22. How is your bank modernizing its payments ecosystem to take advantage of new cross-border payment methods? What steps does it plan to take over the next three years?

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Monetizing payment data

With ISO 20022 now delivering enhanced and expanded payment data, banking leaders understand that payments data can be a valuable strategic asset enabling personalized services, compliance and operational efficiencies. Indeed, nearly every leader in our study has a plan to monetize its payment data by creating data-driven products and services or other approaches, compared to just a quarter of beginners.

To make this possible, the leaders are investing heavily in foundational and scalable payment data infrastructures — such as common data models, centralized data lakes and dedicated governance teams — while beginners are only in the early stages of creating this essential infrastructure.

Percent taking key payments data modernization actions now

	Leader	Beginner
Developing a common data model and infrastructure	94%	38%
Establishing centralized payments data lakes	93%	34%
Establishing a payments data commercialization plan and benefits case	98%	25%
Establishing a multidisciplinary team to support data governance, management and commercialization	95%	9%
Providing secure access for payment data analytics to staff and partners	94%	21%
Setting up payments data governance processes	93%	14%
Extending existing payments data analytics systems, such as for financial crime compliance	93%	24%
Drawing on external data sources to develop new data products	35%	23%

Banks Q18. Where has your bank made the most progress in payment data modernization? Where does it plan to make the most progress over the next three years?

Source: Partnering for payments: How leading banks and retailers are unlocking the future of payments, KPMG International, February 2026.

As a result, leaders will gain competitive advantages through improved customer insights, faster compliance and new revenue streams from data monetization. Meanwhile, beginners will need to make data modernization a priority to avoid falling behind as industry standards evolve toward data-centric ecosystems.

Yet our interviews suggest that many will struggle to get their arms around the data they are now collecting. As one chief data officer at an Indian neobank noted, "Managing large volumes of unstructured data was difficult, so we are now using AI-powered data lakes to streamline processing."

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Overcoming the challenges

While progress on payment modernization is picking up pace, significant challenges remain. And our data suggests that the challenges shift as banks advance through the stages of maturity. Those just beginning on the modernization journey are more likely to report that they are grappling with high costs, outdated legacy systems and technical debt. Around half of the beginners admit they are struggling to keep up with evolving payment technologies.

Those more advanced on the payment modernization journey, however, say that payment modernization is using up scarce resources, exposing them to greater regulatory pressures and raising customer expectations for more sophisticated support.

"This is where partnerships with ecosystem players — fintechs in particular — can help drive innovation, modernization and efficiency in a more cost-effective way," adds Antony Ruddenklau, ASPAC Lead of Payments and Head of Financial Services Advisory at KPMG in Singapore. "Fintechs are doing a great job at building out customer journeys and proving lifestyle models that will be key to driving payment modernization for banks. But first, banks need to be willing and able to build the right partnerships."

Larger barriers when starting out

	Beginner	Leader	Gap
High implementation costs and budget constraints	66%	36%	**30%**
Outdated legacy infrastructure and technical debt	62%	25%	**37%**
Staying up-to-date with evolving payment tech	46%	29%	**17%**
Lack of a clear modernization strategy and plan	44%	25%	**19%**
Coping with competitive pressures	34%	21%	**13%**
Shortage of staff skills needed to modernize	30%	25%	**5%**
Staff resistance to change	27%	9%	**18%**

Barriers that grow when maturing

	Beginner	Leader	Gap
Meeting constantly evolving customer needs	23%	41%	**-18%**
Regulatory compliance	21%	35%	**-14%**
Insufficient resources devoted to the program	14%	25%	**-11%**
Coordination between multiple banks	18%	23%	**-5%**

Banks Q26. What are the biggest barriers that your company has faced in modernizing its payment infrastructure?

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How retailers are delivering on payment expectations

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As customer expectations evolve and retailers seek to deliver more seamless and efficient payment options to achieve top-line growth, generate new business models and enhance the customer experience, retailers are putting significant effort into driving payment modernization.

Our survey reveals that 54 percent of retail executives believe that payment modernization is crucial to the future of their business. In part, that is because payment modernization is widely viewed as key to delivering major efficiency and operational gains. As a payables director at an Indian specialty store chain noted, "Transactions that once took minutes can now be completed in seconds," delivering a valuable drop in processing times.

Many also believe that payment modernization will help them protect their organization against fraud while also driving compliance with evolving regulations. One UK-based supermarket treasurer noted that the introduction of AI-driven fraud analytics into their payment platform has enabled their organization to cut fraud losses by nearly 40 percent.

While customer expectations ranked fifth in terms of motivation for payment modernization for retailers, our data suggests that the leading retailers are putting their customers at the center of their payment strategies. Indeed, 64 percent of the leading retailers say that payment modernization will enable them to significantly expand their customer base and drive top-line growth. And 53 percent of retail executives say that payment modernization is critical for improving the customer experience, particularly with younger generations.

"In part, retailers are keen to demonstrate they are being responsive to the transaction preferences of their customers," adds Linda Ellett, Head of Consumer, Retail & Leisure with KPMG in the UK. "There is also a competitive agenda at play here where retailers — who often prefer to be fast followers when it comes to technology — want to ensure their competitors aren't getting too far ahead in setting the customer experience."

Top reasons for payment modernization

Retail Q11. What are the main reasons that your company is modernizing its payment infrastructure?
Q13. To what extent do you agree or disagree with the following statements?

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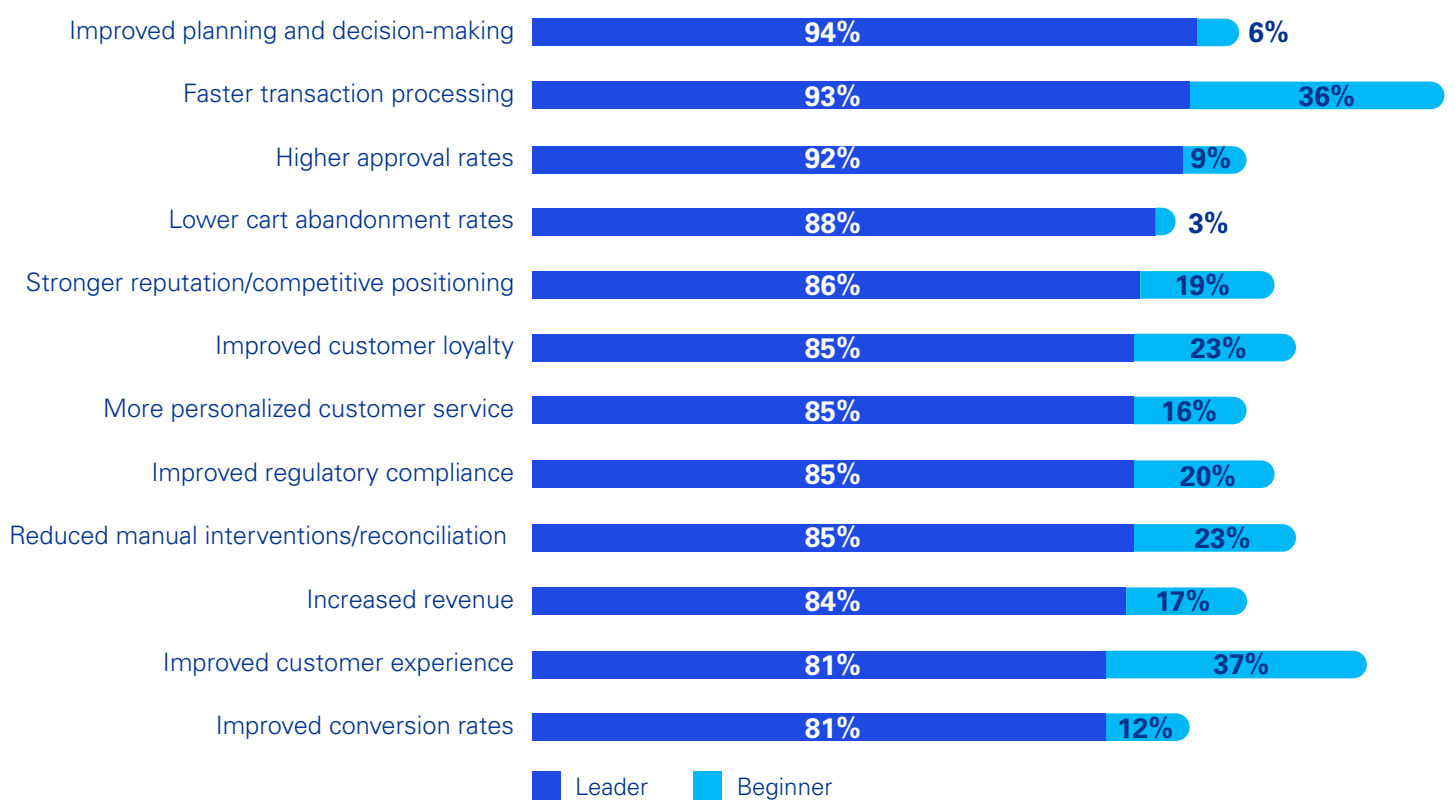
Unlocking business value through payment modernization

As retailers transform into payment leaders, the range of expected benefits they enjoy tend to multiply, with leaders citing about four times the number of benefits as beginners. In fact, the leaders say they achieve far greater improvements than beginners in critical strategic areas, including planning and decision-making, customer experience and competitive positioning.

Leaders report many more benefits



Retail Q32. What are the main benefits that your company has seen from modernizing its payment infrastructure?

Source: Partnering for payments: How leading banks and retailers are unlocking the future of payments, KPMG International, February 2026.

They also see many more potential operational benefits, from faster transaction processing and improved regulatory compliance to reduced manual interventions and reconciliations. These strategic and operational gains often translate into better business outcomes, including lower cart abandonment rates, higher approval rates, improved customer loyalty and conversion rates and ultimately greater revenue.

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Stepping up the investment

Given the importance now being placed by retailers on payment modernization, it is perhaps not surprising that many are investing significant amounts of capital in their programs as they look to gain efficiencies, improve security and meet customer expectations. Yet our data shows that average budgets for payment modernization vary widely by sector.

Hypermarkets and warehouse clubs report the highest levels of investment due to their high-volume, low-margin models, which rely on fast, efficient checkout processes. Online retailers also invest heavily to support their digital business models. At the same time, more traditional segments (such as department and specialty stores) invest less, likely reflecting limited budgets and customer preferences.

Expect budgets to increase over the next year with the average retailer reporting that their budgets will grow by around 2.5 percent. Interestingly, some of the biggest increases will likely be invested by those seeking to catch up; department and discount stores will boost spending by over 3 percent, while supermarkets are targeting increases of nearly 4 percent.

Picking up the pace

While most retailers report making headway with their payment modernization programs, many admit that progress has been slow: a significant number say they are still making plans or just starting to modernize, and a handful have no plans at all.

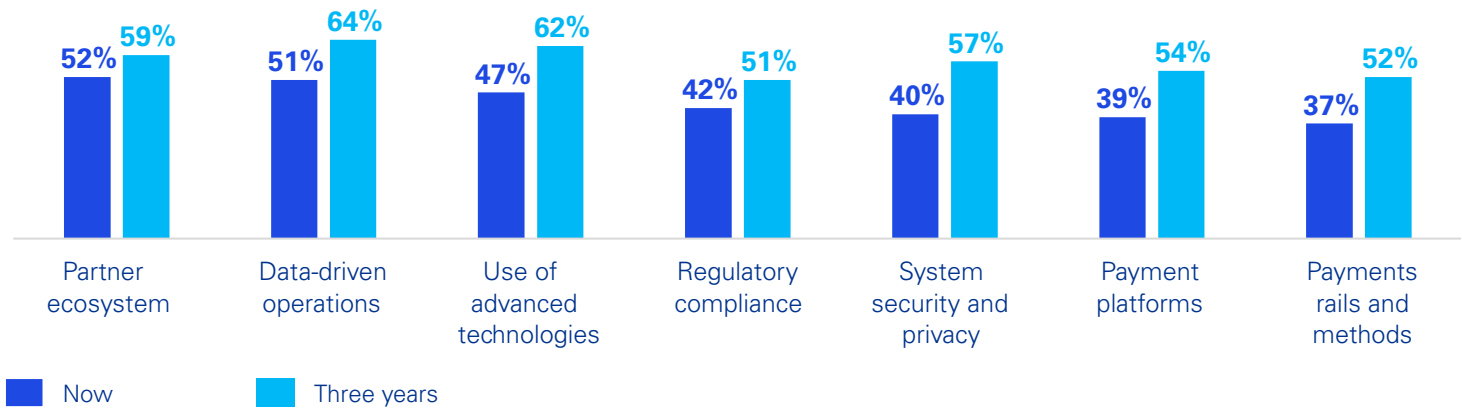
Where have they made the most progress? Our data shows that retailers are moving quickly on their payment ecosystems and data-driven operations, with about half saying they are midway or advanced. But for other areas, they are still generally in the early stages of modernization — particularly in terms of payments rails, methods, platforms and security — the critical building blocks for successful modernization.

Dig deeper into the data and regional differences start to appear. Retailers in the Americas region report being further advanced in all areas of payment modernization, followed by those in Europe and APAC. In part, that is likely due to American retailers' higher revenues which allow them to invest more into modernization.

But revenues are not the only factor influencing progress regionally. Unlike their American counterparts, European retailers often operate across multiple jurisdictions with diverging payment preferences, systems and regulations. Many also report being hampered by outdated legacy banking systems, limited access to digital talent and an over-dependence on US credit card firms.

With much smaller budgets than peers in other regions, APAC retailers find it difficult to keep up. Somewhat tellingly, APAC executives cited budget constraints and high implementation costs as the top two barriers to modernization, ranking them higher than counterparts in the Americas and Europe. APAC retailers also face severe market fragmentation and payment gaps across their highly diverse region.

Percent of retailers midway or advanced in payment modernization now and in three years



Retail Q14: How much progress has your company made in payment modernization? How much progress do you expect to make over the next three years?

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"While cost and budget constraints may be top of mind for many retailers, the reality is that consumers hold all the power — if they demand a new type of payment option, retailers have little choice but to accept it," argues Puneet Mansukhani, Global Head of Digital and Technology Transformation for Retail at KPMG International and Co-Lead Consumer & Retail at KPMG in India. "Retailers can't afford to spend a year assessing and implementing a new payment option; they must be ready to adapt quickly, both in terms of strategy and technology integration."

Delivering on customer expectations

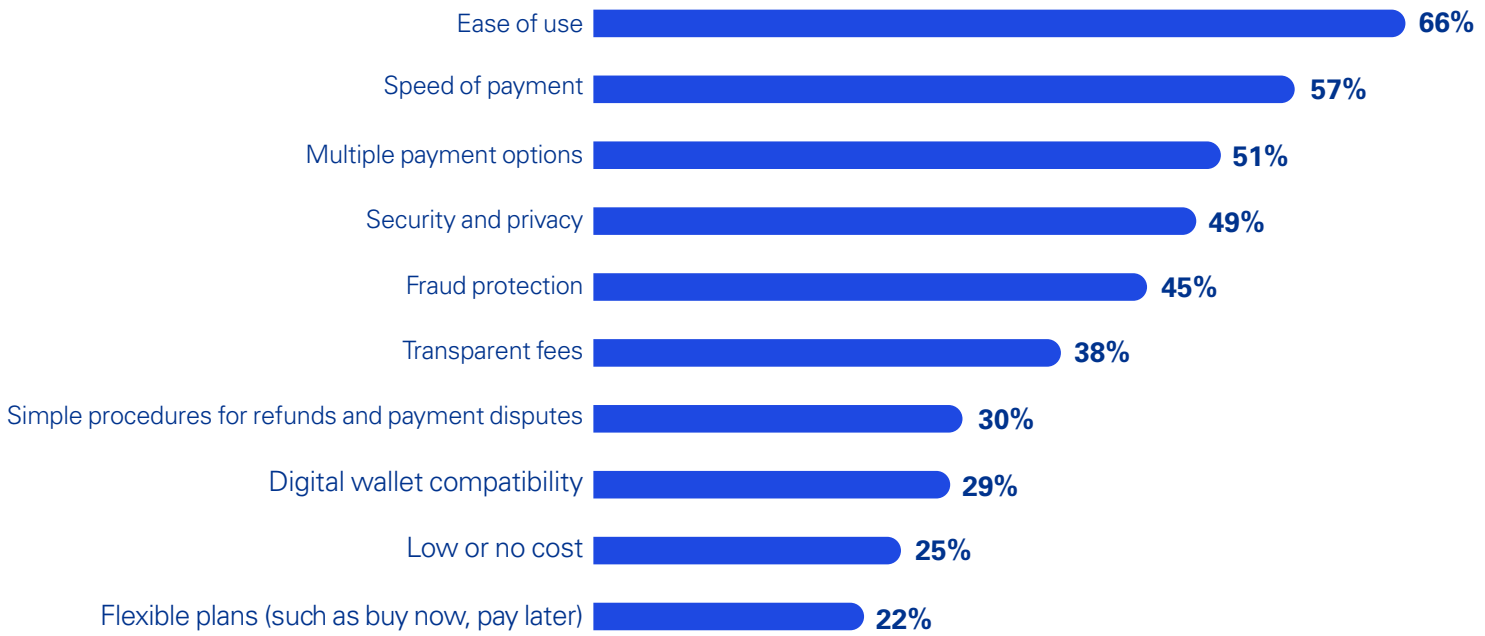
Our survey reveals that the leading retailers are focusing on diversifying their payment choices to give customers the flexible, speedy and secure payment options they want. According to the retailers in our research, ease of use and speed are increasingly non-negotiable requirements for customers who have little tolerance for friction at checkout, especially online, where a single cumbersome step can trigger cart abandonment and brand erosion.

"Increasingly, we are seeing some of the largest retailers start to investigate whether they can reduce costs and increase loyalty by providing some banking and payment services themselves," notes Stephan Fetsch, Head of Retail & Consumer at KPMG in Germany. "Whether that is through a full banking license, an e-money solution or some other form of token or loyalty payment, retailers are increasingly exploring how they might actively reduce their transaction costs and enhance profitability."

Moreover, retailers must deliver these frictionless experiences while supporting diverse payment methods and maintaining robust security, other features that customers highly value. Retailers that master this difficult balance can gain powerful competitive advantages in customer acquisition and loyalty.

That is leading many retailers to prioritize smartphone pass through wallets, QR code and tokenized payments over the next three years, while contactless payments will likely continue to be popular for most retailers with physical operations.

Payment features retail customers value most



Retail Q10. Which payment features do your company's customers value the most? Q13. To what extent do you agree or disagree with the following statements?

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At the same time, newer payment methods such as buy now, pay later (BNPL), mobile-phone transaction services like M-Pesa and PayLib, and instant account-to-account payments are also showing sharp growth over the next three years. The latter two methods are more prominent in APAC than in other regions, while BNPL is most popular in the Americas (but over the next three years retailers in Europe and APAC will likely close the gap).

Perhaps not surprisingly, traditional payment methods such as cash, checks, money orders and swipe credit and debit card use will likely continue to shrink as retailers and their customers move to more convenient digital alternatives.

"While providing a range of fast, easy and modern payment options are expected to be key to delivering on customer expectations in the future, retailers will need to be thoughtful about those customers who are doing things in a more traditional way," noted Linda Ellett, Head of Consumer, Retail & Leisure with KPMG in the UK. "As retailers move towards self-checkout and automation, they simply can't afford to lose a proportion of their customers by limiting their ability to pay."

Percent of retailers using payment methods

	3 years	Now	Difference
Smartphone pass-through wallets	93%	88%	5%
QR code payments	85%	66%	19%
Tokenized payments	84%	63%	21%
Loyalty products	83%	78%	5%
Contactless payments	78%	78%	0%
Mobile-phone transaction services	77%	47%	30%
Traditional swipe credit/debit cards	74%	90%	-16%
Stored-value wallets	73%	60%	13%
Instant account to account payments	69%	50%	19%
Buy now, pay later (BNPL)	67%	36%	31%
Embedded payments	60%	43%	16%
High-value wire payments	59%	43%	16%
ACH/batch payments	56%	45%	11%
Real/near-time cross-border payments	56%	51%	5%
Staff resistance to change	49%	68%	-19%

Retail Q15.Which of the following payment methods does your company currently use? Which of the following do you plan to start to use or use more over the next three years?

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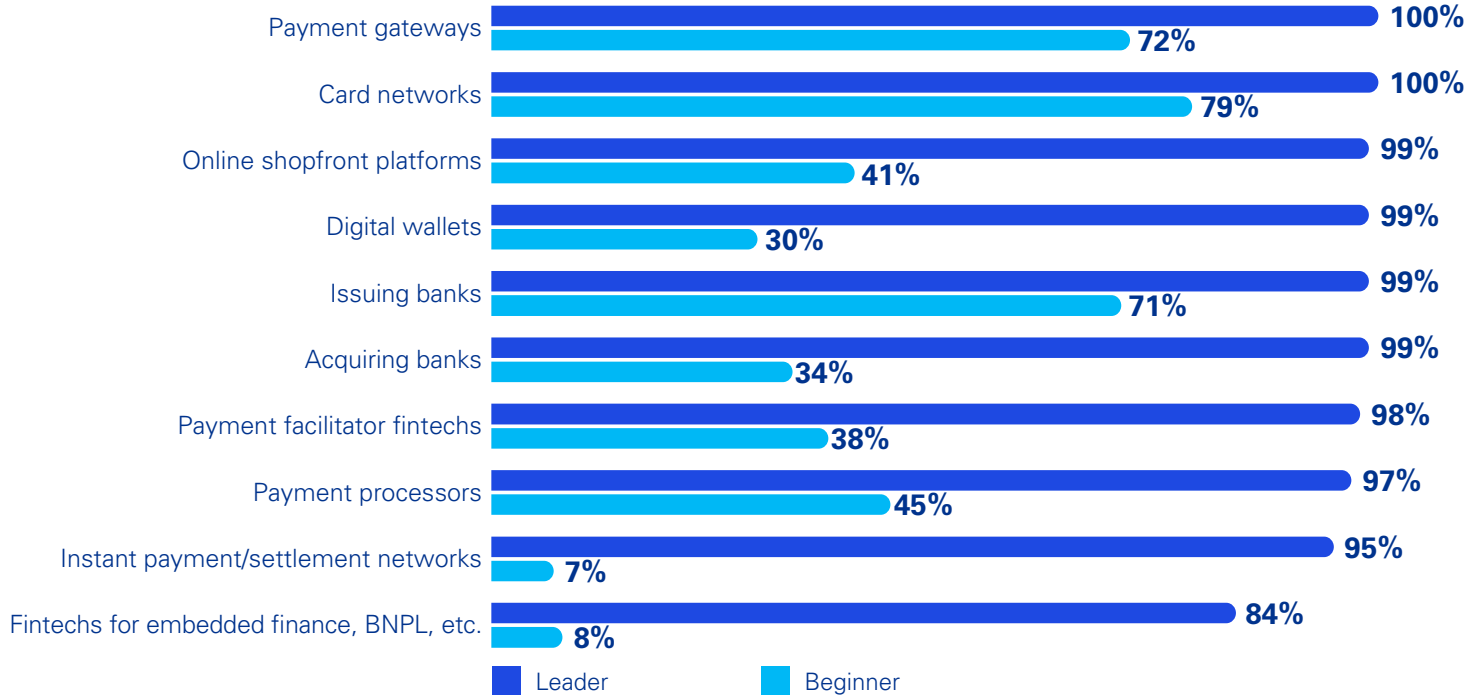
Building an ecosystem

An effective ecosystem is a hallmark of payment leadership. Partnerships allow leaders to access new technologies, reduce costs, share expertise, fill skill gaps, accelerate time to market and mitigate risks.

In our survey, we heard from a UK supermarket chain partnering with fintechs to reduce costs; a China-based supermarket chain told us they are partnering with legal advisors to stay ahead of regulatory trends; and a UK hypermarkets player talked about teaming up with technology startups to upskill its workforce.

Leaders focus more on partnerships



Retail Q22. Which of the following members of the payment ecosystem does your company now collaborate with and which will become more important over the next three years? Q13.To what extent do you agree or disagree with the following statements?

Source: Partnering for payments: How leading banks and retailers are unlocking the future of payments, KPMG International, February 2026.

At the same time, our interviews indicate that the leaders uniformly collaborate with a wide range of ecosystem partners, including not only traditional players such as card networks, issuing banks and acquiring banks, but also newer players such as fintechs, real-time instant payment networks and online shopfront platforms.

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Agents in the aisles

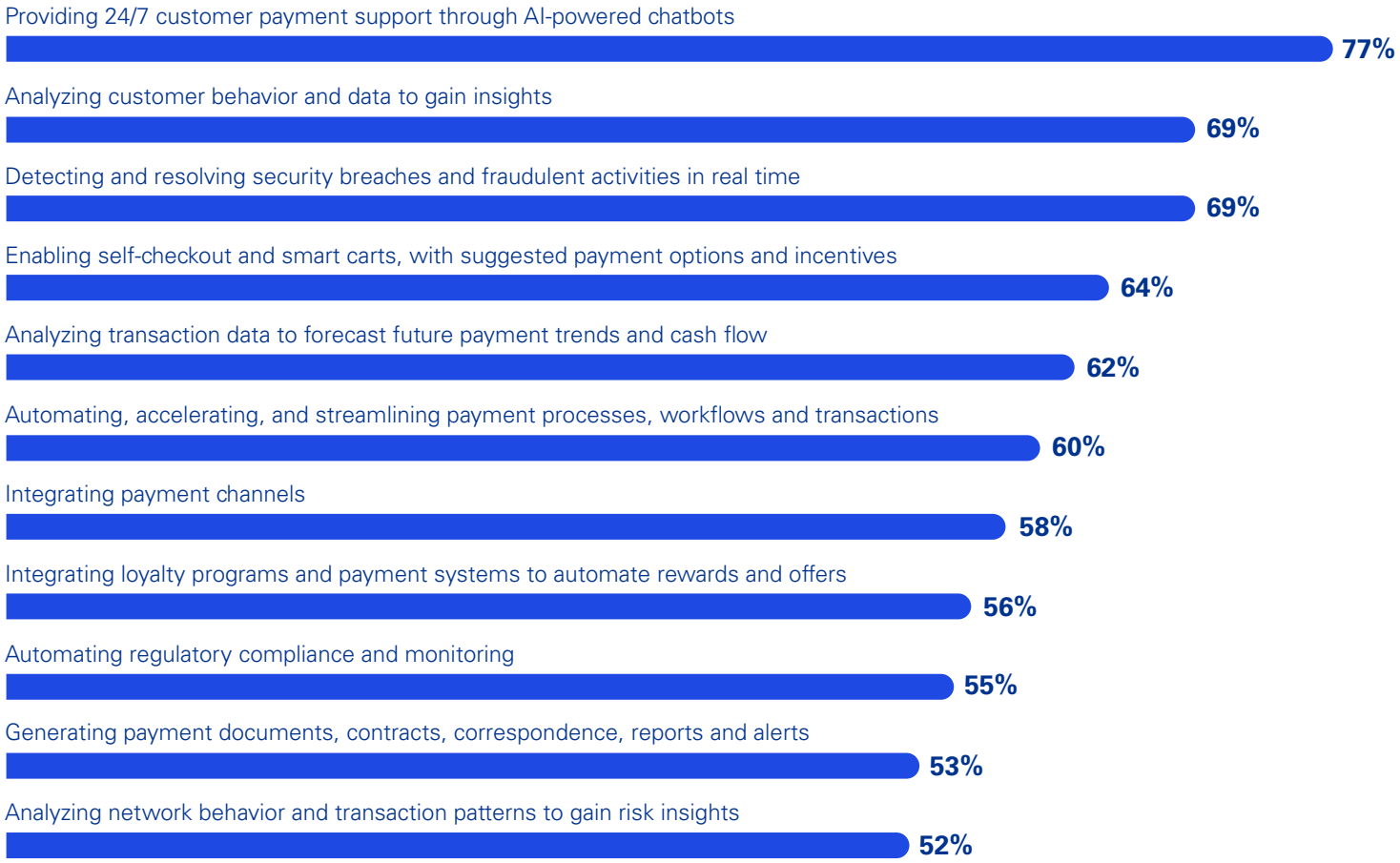
AI is transforming how retailers manage payments. More than three-quarters use AI chatbots to provide 24/7 support. Almost as many use AI to extract greater customer insights or to resolve security breaches and fraud in real time.

"We actively use AI to understand how people like to shop online and offer them flexible payment options that will offer them convenience and a pleasant shopping experience," noted a director of e-commerce at a Singaporean online retailer. The director of technology at a US warehouse club agreed. "We analyze payment data with AI to understand seasonal shopping trends, helping plan better stock levels and meet customer demand more effectively."

At the same time, retailers are leveraging AI for a variety of other purposes. They are using AI to gain efficiencies: streamlining payment processes, integrating payment channels and generating payment documents. They are also automating regulatory compliance, reward programs and risk monitoring.

"In the age of hyper-personalization, AI will likely play a key role in helping retailers analyze their transaction data and create unique and tailored promotions and schemes that drive customer loyalty and enhance revenue opportunities," adds Puneet Mansukhani, Global Head of Digital and Technology Transformation for Retail at KPMG International and Co-Lead Consumer & Retail at KPMG in India.

How retailers are using AI in payments now



Retail Q20. How is your company using AI to modernize its payment systems?

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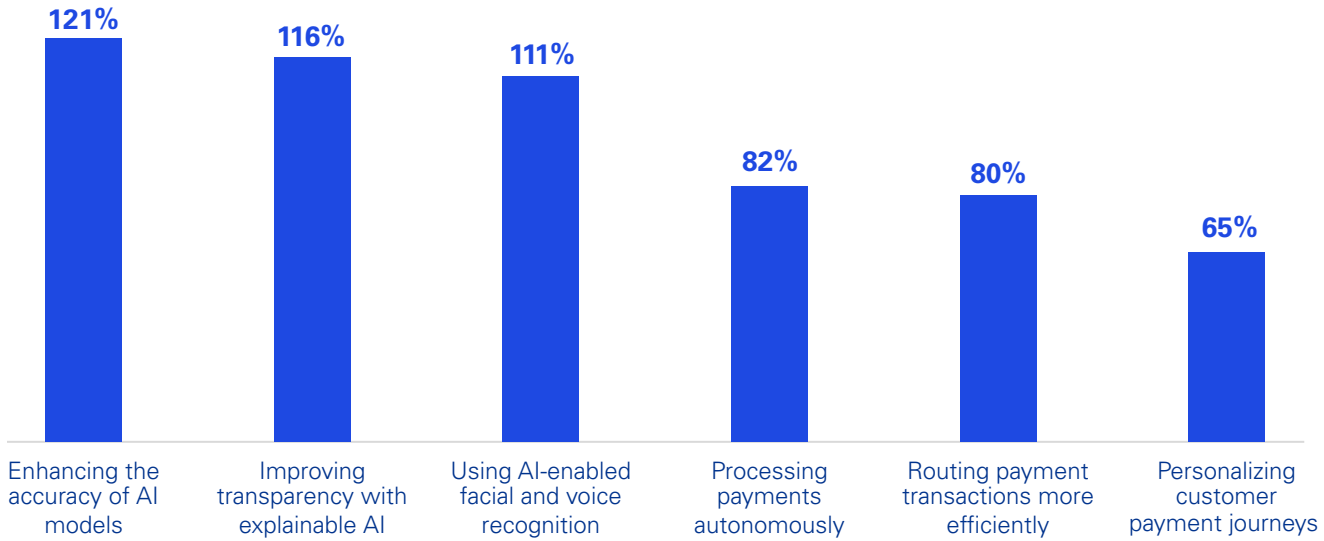
Our survey indicates that, over the next three years, retailers will turn their attention to AI's other capabilities. They will use it to make payment processes more accurate through retrieval-augmented generation, more transparent through explainable AI, more secure through facial and voice recognition, and more self-directed through AI agents.

"While some retailers may be concerned that agentic commerce may disintermediate them from their customers, others are actively embracing the idea with their own agents that can deliver end-to-end experiences from shopping through to payment processing," adds Stephan Fetsch, Head of Retail & Consumer at KPMG in Germany. "I expect some of the larger players to start to open their agents up to the wider market, providing new revenue streams and new sources of data that can be leveraged to unlock greater insights and convenience for consumers."

Fastest growing uses of AI in payments over three years



Retail Q20. How is your company using AI to modernize its payment systems? How does it plan to begin to use AI over the next three years?

Source: Partnering for payments: How leading banks and retailers are unlocking the future of payments, KPMG International, February 2026.

Beyond compliance

Regulation and compliance requirements — particularly related to payment processing, anti-fraud, data security and data privacy — are reshaping payment priorities for retailers around the world.

For example, government-mandated payment systems like Singapore's PayNow, Thailand's PromptPay, and India's UPI require compliance with new authorization protocols, creating significant regulatory impacts for retailers in APAC in particular. "Navigating complex regulations across regions was a major hurdle," noted the director of fraud detection at a Japanese hypermarket chain. "We built an AI-powered compliance engine that dynamically adapts to local laws and standards."

In the Americas, where fragmented oversight and escalating cyberattacks have driven stricter requirements under the FTC's GBLA Safeguards Rule, data security and cybersecurity regulations are influencing payment systems, strategies and costs. European retailers, on the other hand, face pronounced effects from both authorization regulations like PSD2 and international standards such as ISO 20022, raising compliance burdens and system upgrade costs.

Yet rather than viewing compliance as a cost or constraint, the leading retailers are harnessing regulatory shifts to advance their growth strategies. In fact, 79 percent of the leaders (versus 37 percent of those just beginning their modernization journey) say they collaborate with regulatory bodies to help shape effective regulations that foster innovation.

Leaders are also highly focused on implementing a range of payments regulations. They are particularly ahead of beginners in anti-fraud regulations and those for new payment types, such as digital wallets and BNPL. Our data also suggests they are making more progress meeting international standards such as ISO 20022.

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Taking a security-first approach

Our survey shows that retail leaders are taking a 'security by design' approach to payment modernization, incorporating security into the design of their payment modernization initiatives. Nearly all use multifactor and biometric authentication, end-to-end encryption, secure cardholder data storage, and protected API gateways. The leaders are also creating a human line of defense by educating staff and customers in secure payment practices.

Top 10 areas of progress in security and privacy

	Leader	Beginner
Multi-factor authentication and biometric verification	99%	19%
Clear options for customers to manage data sharing consent	99%	90%
Partnering with compliant payment processors	98%	16%
Ensuring secure cardholder data storage	98%	72%
Data governance measures	97%	60%
Secure API gateways	96%	22%
Submitting regular compliance reports to processors and regulators	96%	3%
Educating staff and customers in secure payment practices	95%	63%
End-to-end encryption	90%	7%
Upgrading POS systems to support contactless and tokenized payments	74%	34%

Retail Q19. Where is your company making the most progress in ensuring system security and privacy?

Source: Partnering for payments: How leading banks and retailers are unlocking the future of payments, KPMG International, February 2026.

The leaders treat security and privacy not merely as compliance exercises, but as brand promises that build customer confidence, differentiate their experiences and reduce their losses. Many are implementing robust data governance systems and providing clear options for customers to manage data sharing consent. Crucially, they are also building dynamic risk scoring and centralized, real-time fraud detection into their payment platforms.

"Security was a major concern," added the director of customer experience at a German discount store chain. "So we upgraded our systems with smarter fraud detection and encrypted customer data to keep payments safe without slowing things down."

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"The shift to ISO 20022 is helping retail treasury functions improve cash visibility and working capital control by enabling richer, more structured payment and remittance data," adds Dennis Kiratli, Senior Manager, Finance and Treasury Management at KPMG in Switzerland. "When payment information can be matched more reliably to invoices and sales orders, cash is applied faster, exceptions and errors drop, and treasury can make better funding decisions. The value is not the ISO format alone — it is what banks and corporates do with the enriched data across the broader process."

By embedding regulatory agility into their platforms and actively working with regulators, the leading retailers say they are reducing risk, opening doors to new customer segments and rapidly scaling solutions ahead of regulatory deadlines, making compliance a source of resilience and advantage.

Facing into the future

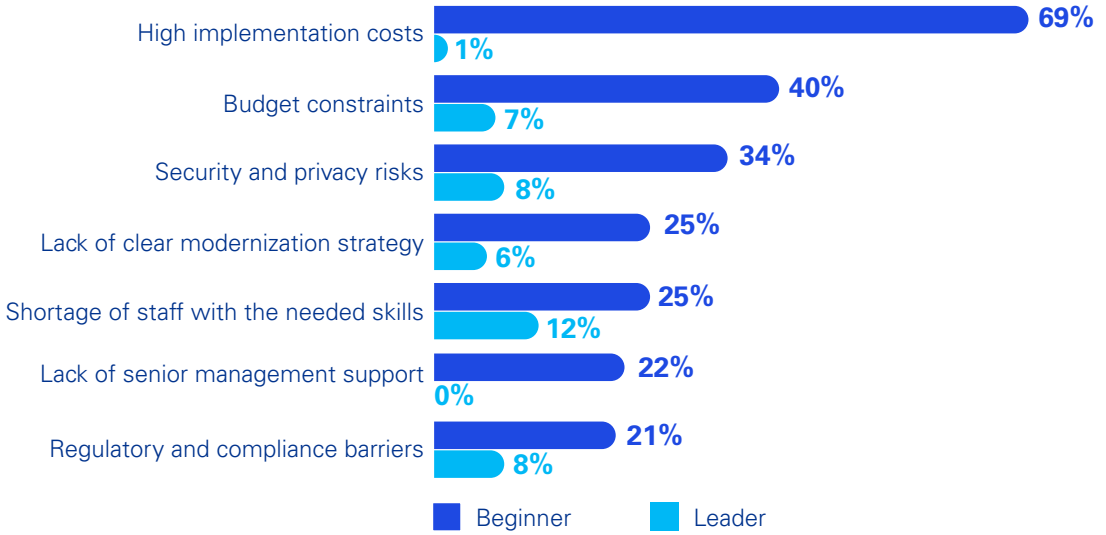
Our survey reveals that, as retailers advance in their payment modernization journeys, the challenges they encounter shift. When starting out, retailers tend to cite a range of challenges, including implementation costs, budget constraints and security concerns. As they mature their payment modernization capabilities, the leaders are more likely to bump up against departmental silos and the limitations of their legacy systems.

"Our biggest challenge was dealing with legacy infrastructure," explained the head of CX at a Japanese department store chain. "To overcome this, we adopted a phased migration strategy to cloud-native platforms, ensuring continuity while upgrading capabilities."

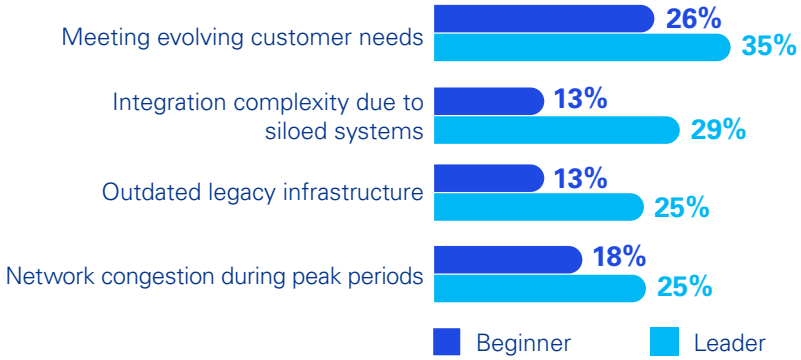
Ultimately, our survey finds that payment modernization enables retailers to meet customer expectations for a seamless shopping journey that can drive top-line growth, generate new business and boost competitiveness in a dynamic marketplace.

"In a very competitive environment where the margins are increasingly difficult and in a challenging backdrop in environment, payments can deliver a competitive edge," concludes Isabelle Allen, Global Head of Consumer, Retail & Leisure for KPMG International.
"To remain relevant in this rapidly-evolving market, retailers really need to be agile and closely monitor where consumers are going with their payment expectations."

Larger barriers when starting out



Barriers that grow with maturity



Retail Q27. What are the biggest barriers that your company has faced in modernizing its payment infrastructure?

Source: Partnering for payments: How leading banks and retailers are unlocking the future of payments, KPMG International, February 2026.

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Three key actions for banks and retailers

Consumer payment preferences are changing at pace. New payment technologies are rapidly emerging and going mainstream. Banks and retailers are increasingly competing to deliver on customer needs and expectations. Those not moving quickly to modernize their payments platforms will likely be left behind.

In this fast-paced, high-risk environment, banks and retailers must work together to anticipate the needs of their customers and to deliver on their expectations. They must move quickly and with agility if they hope to keep up with changes in their marketplaces.

As our survey reveals, the leading banks and retailers are already making rapid progress — integrating AI and digital ledgers, partnering within ecosystems and building new capabilities — in order to remain relevant in the eyes of their customers and users.

Based on our data and KPMG professionals' deep experience in the market, here are three key action items every bank and retail payments leader should be considering as they strive to modernize their payment environment.

1. Prioritize partnerships

As the pace of technological change quickens and customer expectations shift, banks and retailers are under considerable pressure to accelerate their payment modernization programs. To stay ahead of the curve, organizations should create dynamic partnerships and ecosystems, bringing together technology providers, customers, regulators and even competitors to share capabilities, ideas and investment in order to help achieve competitive advantage.

2. Focus on the customer

The leading organizations are those who take the time to truly understand the needs and expectations of their customers to shape and rapidly deliver new payment options and services. Banks and retailers should not only get closer to their customers but also create new capabilities that allow them to quickly assess, develop and implement new payment options and infrastructure as demand and competitive pressures evolve.

3. Create agility

The payment ecosystem is changing at a rapid pace and new technologies and payment options are being developed and commercialized by new players in markets around the world. In this environment, banks and retailers should focus on building agility into their payment strategies, infrastructure and operations to help achieve future flexibility, scalability and optionality that can allow them to flex and evolve rapidly as the market shifts.

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How KPMG can help

The global payments landscape is rapidly changing as new technologies, payment methods, players and customer expectations radically transform the payments ecosystem. Payment modernization has become an urgent priority for those banks and retailers hoping to remain relevant in the new payment environment.

From payment modernization and accelerated digitalization to ISO 20022 conversion and regulatory compliance, KPMG's network of payments professionals takes a holistic approach to your payments challenges to deliver tailored, approaches and ideas ready for the future.

KPMG's payments professionals leverage our global organization's extensive technology and change capabilities to support the delivery of industry leading payment solutions. They are embedded into the KPMG global organization's financial services and retail practices, allowing them to leverage industry best practices and new ideas from around the world.

KPMG's global organization of professionals have worked with some of the world's leading banks and retailers to help deliver modernized payment solutions.Contact your local KPMG member firm to find out how we can help your organization.

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Client case studies

Delivering payment modernization at pace for Desjardins

Migrating a payments platform as part of a core banking solution replacement is no easy task. And Desjardins Group — the largest federation of credit unions in North America — was keen to deliver the implementation of their new enterprise payments platform (EPP) for high-value wires on time. So they asked KPMG in Canada and KPMG in the US to help reduce their implementation time from 14 months to just 10 months. The KPMG firms were confident they could make the difference.

Working in collaboration with the client's system integrator, KPMG rapidly transformed Desjardin's payments workflows, microservices, business operations and reporting. They rapidly took them from requirements definition and platform configuration to testing and deployment and into execution and post-go-live support. KPMG took the lead on the project management and rolled out a comprehensive change management program, including communications and operational readiness activities.

Over the course of the project, they documented more than 1,000 requirements, developed and executed more than 1,500 test scenarios, helped the executive team mitigate more than 110 identified risks and approve more than 85 major decisions to unblock their implementation process. And they delivered the fully integrated solution weeks ahead of even their most aggressive schedule.

"KPMG's profound understanding of the complexities of modern payment systems, paired with their strategic vision, aligned seamlessly with Desjardin's objectives."
Anik Fifle, Vice President, Payment Technologies, Desjardins

How KPMG helped a regional bank achieve their ISO 20022 mandate

With the ISO 20022 mandate approaching, a regionally significant retail bank in the Caribbean knew they needed to move quickly. Their existing high-value wires platform was nearing end of contract. And their executive team recognized they needed some help evaluating, implementing and integrating a new platform that would be ISO 20022 compliant. They wanted a partner with deep ISO 20022 experience, extensive transformation capabilities and hands-on knowledge in their chosen systems.

KPMG in the US rapidly deployed a team to help the organization implement a modern high-value wires platform and SWIFT Service Bureau. From the development of a prioritized roadmap and implementation plan to the full solution design, development and post-deployment support, the KPMG team worked closely with the bank and its systems integrator to ensure the organization had the support they needed to rapidly progress on their payment modernization journey.

At the same time, the KPMG team helped ensure a successful market go-live by providing operational readiness support, including detailed operational procedures and exception handling documentation, alongside robust deployment and post-deployment support.

Ultimately, the bank's relationship with KPMG helped the organization implement a new and modern high-value wires platform, a SWIFT Service Bureau and key integrations across their payments ecosystem. That, in turn, allowed the bank to propel their progress through their end-to-end ISO 20022 implementation strategy to successfully achieve the industry mandate.

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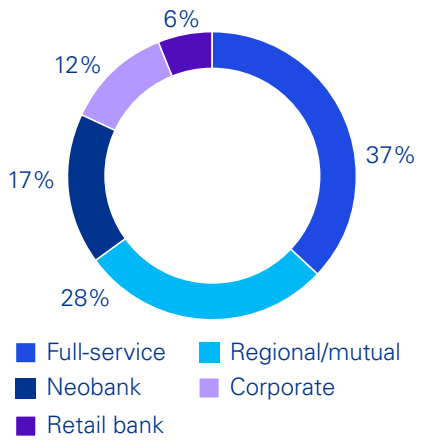
Methodology

KPMG International surveyed 500 banks and 500 retailers between 8 September and 30 October 2025, to assess their progress on payment modernization, as well as their motivations, objectives, investment expectations and challenges.

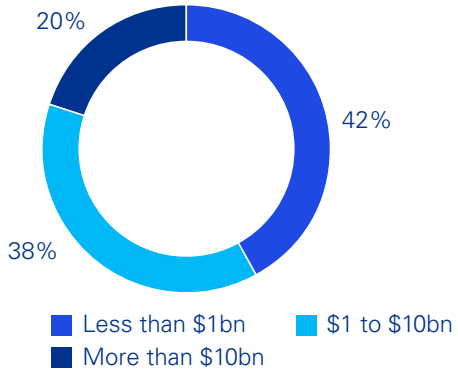
Our survey asked respondents to rate their levels of progress against a range of modernization pillars, and we used their responses to calculate their overall maturity with respondents in the top 20th percentile ranked as 'leaders' and those in the bottom 20th percentile ranked as 'beginners'. In both the banking and retail sectors, the leaders tended to be those with revenues greater than US$10 billion. In the banking sector, neobanks reported the highest proportion of leaders and in the retail sector, it was e-commerce platforms that were most likely to rank as leaders.

Forty percent of retail respondents were based in Asia Pacific, 35 percent in the EMEA region and 25 percent in the Americas. The banking sample represented 36 percent of respondents from the Americas region, 34 percent from the EMEA region and 31 percent from Asia Pacific.

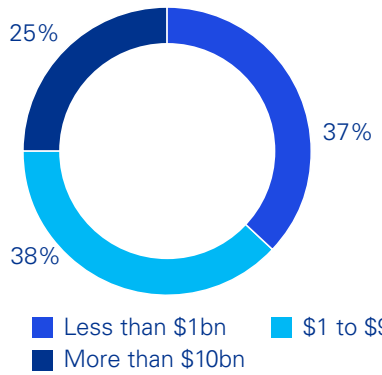
Respondents by type of bank



Average bank revenue*



Average retailer revenue



Respondents by type of retailer

Specialty	**20%**
Department	**16%**
Supermarket	**15%**
Online	**15%**
Luxury	**12%**
Discount	**10%**
Hypermarket	**9%**
Warehouse	**3%**

The quantitative survey, which included both multiple choice and open-ended questions, was augmented with a series of qualitative interviews conducted with KPMG firm subject matter professionals on the ground in local markets with deep experience and insight into regional and national trends.

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