2026 STATE OF THE INDUSTRY

Mid-Year Report

Global Payments & Fintech

Real-time rails, working stablecoins, and AI agents that buy on your behalf. Where the money and momentum actually went in the first half of 2026, and what to watch next.

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Executive Summary

Halfway through 2026, payments no longer looks like an industry catching up to technology. It looks like one being rebuilt around it. Three forces are doing most of the work at once. Real-time rails are becoming the default almost everywhere. Stablecoins have turned into working payment infrastructure instead of a crypto sideshow. And AI agents have started buying things for people. None of this is a 2030 prediction. It is all shipping in production right now.

The numbers underneath are large, and they get defined a little differently depending on which analyst you read. Total value moving through digital payments should clear roughly $37 trillion in 2026, and the market keeps compounding somewhere between high single digits and low double digits a year. The size of the pie is not the most interesting part of the first half, though. What matters is how fast the plumbing is changing, and how many old assumptions are suddenly up for renegotiation. Cards win. Settlement takes days. A human clicks buy. All three are being questioned at once.

This report covers what changed in the first half of 2026, where the money and momentum are actually going, and what we think matters for the rest of the year.

~$37T	660M+	$390B	1,300%
DIGITAL PAYMENT VALUE, 2026	UPI TRANSACTIONS PER DAY	REAL STABLECOIN PAYMENTS, 2025	AGENT WEB TRAFFIC, 9 MONTHS

01 The Market: Bigger, Faster, and Harder to Pin Down

Estimates of the payments market vary a lot, mostly because analysts are measuring different things. Statista puts total transaction value in digital payments at about $37.45 trillion for 2026. Broader "payments market" figures run much higher. Mordor Intelligence sizes the full market near $46.85 trillion in 2026, growing around 4.2% a year toward $60 trillion by 2031. Payment processing software and services, a narrower slice, is moving much faster. One estimate has it jumping from roughly $173 billion in 2025 to over $208 billion in 2026, on its way to about $1 trillion by 2035.

No single number is the point. The direction and the pace are. Growth is clustered in mobile-first transactions, digital wallets, and cross-border e-commerce, and it is not spread evenly. Asia-Pacific led with roughly 38% of the global payments market in 2025 and keeps setting the pace on mobile adoption, while the Middle East and Africa are among the fastest-growing regions anywhere.

For merchants and the platforms that serve them, the practical message is that how customers want to pay is fragmenting faster than most systems were built to handle. The companies pulling ahead in 2026 treat payment-method diversity as something to offer, not a cost to absorb.

02 Real-Time Payments Go Mainstream

The clearest trend of the first half is that instant payments stopped being a regional novelty and became baseline infrastructure.

The scoreboard makes the case. India's UPI now processes over 660 million transactions a day and accounts for close to half of all real-time retail payment volume on earth. Brazil's Pix handled 63.4 billion transactions worth around $4.6 trillion in 2024, and its single-day record hit 276.7 million transactions in mid-2025, already running well ahead of card volume in the country. In Europe, the TIPS settlement platform processed 1.355 billion transactions in 2024, up 402% year over year, and the SEPA Instant transfer limit was raised to €1 million, which opens the rails to serious business payments.

The United States is earlier but climbing fast. FedNow crossed 1,700 participating financial institutions by April 2026 and moved roughly $853 billion in total value in 2025, with volume growing more than tenfold year over year off a small base. Domestic transfers still dominate, about 93% of instant-payment volume in 2025, but cross-border instant payments are forecast to be the fastest-growing slice for the rest of the decade.

Europe is also turning real-time from a choice into a legal requirement. The EU's Instant Payments Regulation makes ten-second, around-the-clock euro transfers the norm, with the first mandatory reporting landing in April 2026. That one move is quietly reworking fraud monitoring, liquidity management, and settlement design across the whole bloc.

03 Stablecoins Grew Up

For years stablecoins were mostly a trading story. In the first half of 2026 they crossed into genuine payment infrastructure.

The signal worth watching is not headline transaction volume, which gets inflated by trading and automated transfers. It is real payment activity. McKinsey and Artemis put genuine stablecoin payment flows at roughly $390 billion in 2025, more than double the year before. B2B stablecoin payments went from under $100 million a month in early 2023 to more than $6 billion a month by mid-2025, roughly a 60x jump in two and a half years. Outstanding USD stablecoins reached nearly $280 billion at the end of 2025, up from about $25 billion in 2020.

Regulation is what tipped it from experiment to infrastructure. The U.S. GENIUS Act became law in July 2025, the first federal framework for fiat-backed payment stablecoins, requiring 100% reserves and bank-style disclosures. Implementing rules are due through 2026, with enforcement starting no later than January 2027. Around the same time, the OCC granted conditional national trust charters to Circle, Paxos, and others in late 2025. The card networks moved too. Visa reported roughly $4.5 billion in annualized stablecoin settlement as of January 2026, and card-linked programs now let people spend USDC at ordinary merchants without converting first.

> **The honest caveat.** Despite all that growth in absolute terms, stablecoins still make up only about 1% of global payment flows, the same share as in 2023. The plumbing is being installed faster than the volume is showing up.

The real traction is in cross-border B2B and emerging markets, where a majority of Latin American firms already use stablecoins for cross-border settlement. Treasury officials have floated stablecoins reaching 5 to 10% of cross-border payments by 2030. Whether that lands is one of the genuine open questions of the decade. Central banks, meanwhile, are drawing lines between public and private digital money. They keep advancing their own CBDC pilots, India's digital rupee among them, while holding private stablecoins on a shorter leash.

04 AI Agents Started Buying Things

The most genuinely new development of 2026 is that software has started to transact on its own behalf, with permission.

Both major card networks shipped agentic checkout rails in the first half of the year. Visa's Intelligent Commerce embeds tokenized credentials scoped to a specific agent, so an agent booking a trip gets a token that only works for that airline and that travel window. It adds agent-aware authentication and a partner program that includes Anthropic, OpenAI, Microsoft, and Perplexity. Its Intelligent Commerce Connect, launched in April 2026, accepts several competing agent protocols through one integration. Mastercard launched Agent Pay, which binds tokenized credentials to specific agents, merchants, and consent policies, with a version aimed at machine-to-machine commerce running at high speed.

The demand signals are real, not hypothetical. A 2026 IBM study found that 45% of consumers already use AI for at least part of the buying journey, and agent-driven traffic across the open web grew more than 1,300% in nine months. McKinsey and ICSC project up to $1 trillion in U.S. agentic retail revenue and $3 to $5 trillion globally by 2030.

For merchants this is a real fork in the road. Being invisible to shopping agents may soon feel like being invisible to search engines in 2005. The infrastructure question is moving from research to roadmap: how do you accept a payment that software kicked off, confirm the buyer actually consented, and manage fraud when nobody is standing at the checkout?

05 Embedded Finance and Pay-by-Bank Kept Compounding

Payments keep disappearing into the software people already use. The embedded finance market grew from roughly $148 billion in 2025 to an estimated $197 billion in 2026, and open banking is compounding right alongside it, projected to grow from about $51 billion in 2026 toward $287 billion by 2033 at nearly 28% a year.

Pay-by-bank, running on open banking rails, moved into the mainstream. Visa's A2A pay-by-bank product reached market readiness in the UK in mid-2025, giving people a way to pay straight from their bank accounts with added control and protection. Payments are still the biggest embedded-finance category, but lending, payroll, and compliance are growing fastest. That shift is a sign the category is maturing from a checkout button into real financial infrastructure delivered through platforms that were never banks.

06 Wallets and Contactless Are Now the Norm

Digital wallets crossed from convenience to default. More than 5.2 billion people, over 60% of the world's population, are expected to use a digital wallet in 2026. Wallets now account for over half of global e-commerce transactions and roughly a third of in-store purchases. The regional gap is striking. About 74% of APAC online payments already run through wallets, against 12% on credit cards, and that share keeps climbing.

Contactless followed the same curve, up more than 200% from 2022 levels, with contactless and tokenized cards now representing over 65% of in-person U.S. card volume. The physical card is not going away. But the tap and the phone have won the default.

07 Security: The Threat Moved from Stolen Cards to Manipulated People

Here is the uncomfortable headline of 2026. For the first time, payment security is defined more by social engineering than by stolen card numbers.

AI-driven risk scoring has pushed traditional card fraud at major U.S. issuers to historic lows. Authorized push payment fraud is the problem now, where a victim gets tricked into sending money themselves. Reported losses have tripled since 2022 and could reach $14.9 billion in the U.S. by 2028, or as high as $18.2 billion if AI-powered scams outrun the defenses against them. Over 70% of phishing emails now show signs of AI involvement, and most businesses report an AI-assisted social engineering attack in the past year. Deepfake fraud losses are estimated at roughly $1.5 billion across 2024 to 2026.

The arms race genuinely cuts both ways. The same AI powering the scams is powering real-time behavioral risk scoring, passkeys, and tokenization, which is why classic card fraud keeps falling even as scam losses climb. The frontier of payment security in 2026 is no longer the card number. It is the person on the other end of a convincing message.

08 Cross-Border Payments Hit a Standards Milestone

Behind the scenes, one of the largest infrastructure upgrades in modern payments quietly finished. On November 22, 2025, the coexistence period between legacy MT messages and ISO 20022 ended for cross-border payments, making ISO 20022 the global standard. The G20 endorsed it as central to faster, cheaper cross-border payments, and the richer data format improves straight-through processing, compliance, and analytics.

The work is not done. Starting November 2026, cross-border payments that include addresses have to use structured or hybrid formats, and roughly 65% of messages still carry unstructured addresses, so there is real migration left. But the foundation for genuinely faster, data-rich international payments is now in place in a way it was not a year ago.

09 Outlook: What to Watch in the Second Half of 2026

Four things are worth watching closely through the rest of the year.

1. **GENIUS Act implementation.** The final rules landing through late 2026 will decide whether the stablecoin momentum hardens into durable infrastructure or stalls in compliance friction.
2. **Agentic commerce moving from launch to adoption.** The rails exist. The open question is whether consumers actually hand real spending to agents at scale, and how merchants adapt discovery and checkout to a world with software shoppers in it.
3. **The EU regulatory wave.** Instant Payments Regulation reporting, the march toward PSD3, and Europe's broader push for payment sovereignty will keep reshaping compliance and competition across the continent.
4. **The scam problem.** If AI-driven authorized push payment fraud keeps outpacing the defenses, expect more regulatory pressure on liability and reimbursement, following the path the UK has already taken.

The through-line for the rest of 2026 is simple. The infrastructure for the next decade of payments, instant and programmable and embedded and increasingly autonomous, is being poured right now. The organizations treating this as a build phase rather than a wait-and-see phase are the ones that will define the industry on the other side of it.

> If any of this is on your mind, reach out. We are always happy to compare notes.

Sources & Notes

Figures are drawn from publicly available industry research published in 2025 and 2026. Market-size estimates differ by source because analysts define the market differently; ranges and attributions are noted in-text.

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