



# BUILDING THE FUTURE PAYMENT STACK

A STRATEGIC MARKET INTELLIGENCE REPORT  
FROM CORE SYSTEM PARTNERS

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## Executive Summary

This report provides a clear-eyed look at how mid-sized banks are rethinking their payments infrastructure in a market shaped by ISO 20022, real-time expectations, and opaque vendor pricing models.

It draws on insights from seven senior payment operations leaders across large, mid-size, and community institutions. These findings reflect what's really happening inside payment modernization—not just what vendors are selling.

The document is organized into three sections:

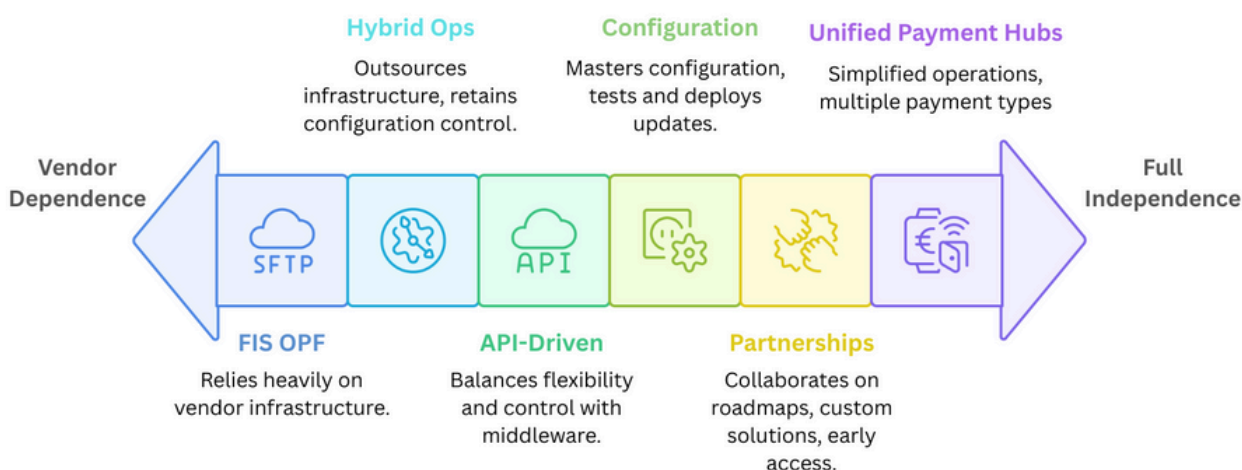
- Industry trends and platform consolidation
- Technology/vendor landscape
- Peer implementation and operational control

**The goal:** help institutions define a practical roadmap to evolve payment capabilities while managing vendor complexity and preparing for future flexibility.

# PAYMENTS

## PART I: INDUSTRY DIRECTION AND PAYMENT SYSTEM TRENDS

### Understanding Payment Platform Control From Vendor Dependence to Independence



If you want to understand where the future of payments is going, don't look at vendor roadmaps—look at what other leading banks are doing right now.

Part I lays out the direction of travel across the industry: where institutions are consolidating platforms, rethinking operations, and adapting to upcoming requirements like ISO 20022. These aren't abstract trends—they're practical signals that point to what banks need to build for next. Whether it's integrated hubs, hybrid ops models, or real-time readiness, this section breaks down the moves that are gaining traction.

## 1. Strategic Payment Modernization Approaches

### 1.1 Integrated Payment Platforms

The market is converging toward unified payment hubs that simplify operations by allowing a single platform to handle multiple payment types. Fewer silos mean fewer handoffs, less specialized staffing, and a more cohesive architecture.

*"The industry is definitely going toward integrating payment solutions... it makes it easier to have the same people do wire and do ACH while streamlining the technology stack."*

## Top platforms include:

- FIS Open Payment Framework (OPF)
- Fiserv Enterprise Payment Platform (EPP)
- Oracle Banking Payments
- Finastra Total Payments
- Volante VolPay

But consolidation brings complexity. Shared infrastructure means shared testing burdens.

*“When you have changes you have to regression test all... so when you do a wire change, you're going to have to regression test ACH too. You have to take that with a grain of salt.”*

## 1.2 Hybrid Operational Models

Hybrid models are gaining traction—where infrastructure is outsourced, but configuration and testing remain in-house.

*“You want to have the systems outsourced so you don't have to pay for any of that baloney. But you want to have a process in place where you can have lower environments... and make changes to those. The configuration of the system is key.”*

## 1.3 Exchange Infrastructure Evolution

- ISO 20022 is driving a foundational shift.

*“Wire processing is undergoing the biggest change ever with transition from FAME format to ISO 20022 format in July 2025. This is the biggest change that's taking place in the history of wire transfers.”*

- Real-time payment adoption is rising but must be justified by real demand.

*“Real-time payment systems continue to gain traction, but banks need to evaluate carefully whether customer demand justifies the additional operational complexity and compliance requirements.”*

- Cross-border alternatives (Wise, Ripple, Nium) are emerging alongside SWIFT GPI.

## 2. Economic Considerations

This section gets tactical. Most mid-sized banks we've spoken to rely heavily on FIS or Fiserv in one way or another—but few have a clear picture of what's really under the hood, or how those services compare to what else is out there. This section maps the current state of vendor offerings and lays them side by side with credible alternatives. The goal here isn't to push a switch—it's to give banks the information they need to ask sharper questions, strengthen their positions in vendor negotiations, and chart their next steps with eyes wide open.

## 2.1 Transaction Cost Benchmarks

- **ACH:** <\$0.01/transaction is competitive. >\$0.05 is overpriced.
- **Wires:** \$1–\$2 is reasonable.
- **SWIFT:** \$0.50–\$0.75/message is standard for mid-sized volumes.

## 2.2 Scale Considerations for Insourcing

*“Banks need significant scale before bringing payment systems in-house—they would need to get into the realm of money center banks or at least as big as a PNC Bank, Citizens Bank, or TD Bank.”*

For most mid-sized banks, the economics still favor outsourcing infrastructure.

## 3. Technology Architecture Trends

Modernizing a payments platform isn't just about replacing systems—it's about building an architecture that gives the bank real control, adaptability, and resilience over time. What we're seeing across the industry is a shift away from hardwired vendor dependencies and toward modular, API-first environments that allow banks to move faster without sacrificing stability.

### 3.1 API-First Approach

*“The question isn't whether to have a middle layer, but what type of middle layer provides the right balance of flexibility and control.”*

API-driven middleware is now essential for future-proofing integrations.

## 3.2 Configuration over Code

*“Leave the code to the vendor... but have the ability to master the configuration, and be able to test the configuration, and be able to deploy configuration updates.”*

From a practical standpoint, this is where control really lives. Banks don't need to own or rewrite core vendor code—but they absolutely need the ability to manage business logic, set rules, and adapt workflows on their terms. The institutions making the most progress are the ones that treat configuration not as a one-time setup but as an ongoing operational capability. When you can't control configuration—or can't test it before deployment—you're locked into your vendor's timeline, not your own.

## 3.3 Testing Environment Requirements

*“I'm always a big fan of having at least two [environments]. One that mirrors your production environment... and another lower environment for development.”*

Testing isn't a nice-to-have—it's operational risk management. Especially with regulatory changes like ISO 20022 or real-time payments entering the mix, banks need at least two solid environments: one that replicates production for validation and troubleshooting, and one where actual development and configuration testing can occur safely.

Too many institutions still rely on brittle or incomplete test setups, which makes every release cycle slower, riskier, and more dependent on vendor handholding.

### 3.4 Strategic Vendor Partnerships

A notable evolution in bank-vendor relationships is the emergence of more collaborative partnership models that go beyond traditional service agreements. Leading banks are forming strategic partnerships with their payment vendors where:

- Banks and vendors collaborate on roadmap development
- Vendors provide more customized solutions for specific bank needs
- Banks gain earlier access to new capabilities through beta programs
- Joint development initiatives address specific market opportunities

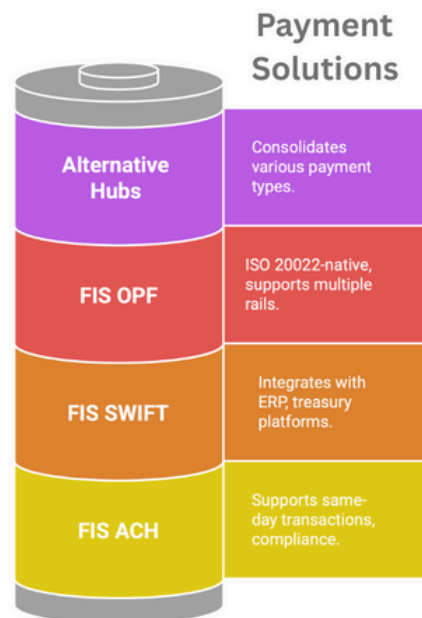
For example, JPMorgan Chase has formed strategic partnerships with payment technology providers like Volante Technologies to accelerate payment innovation while maintaining significant in-house expertise.

Similarly, U.S. Bank has established collaborative partnerships with ACI Worldwide and The Clearing House for real-time payment implementations. Fifth Third Bank has developed strategic partnerships with FIS and fintech providers like Transcard to create joint payment solution initiatives that go beyond traditional vendor relationships.

These strategic partnerships align with the expert perspectives on maintaining control and influence over payment capabilities while leveraging vendor infrastructure and expertise.

## PART II: CURRENT FIS OFFERINGS AND MARKET ALTERNATIVES

### Payments solutions spectrum from specific to comprehensive functionalities



In payments modernization, legacy vendors are often both the foundation and the constraint. Here we look at what FIS delivers across core payment rails today—and what alternative options banks have if they want to expand capabilities, increase leverage, or future-proof their stack. The goal isn't to push a switch—it's to help banks take control of the conversation

#### 1. FIS Payments Portfolio

- **ACH:** Pep + Same Day ACH, ACH Limit System, compliance support
- **OPF:** ISO 20022-native; supports FedNow, RTP, FedWire, SWIFT
- **IMAGE CENTRE:** Document imaging and archiving for checks/statements
- **TRIPS INCOMING:** Likely tied to image-based check processing

## 1. Alternative Solutions

- **ACH:** Fiserv PEP+, Jack Henry JHA, Finastra Fusion Payments, Finzly Hub, ACI
- **Payment Hubs:** Oracle Banking Payments, Temenos, TietoEVERY, Finastra Total Payments, Volante VolPay
- **SWIFT & Cross-Border:** Bottomline, Refinitiv, Finastra, Wise, Airwallex, RippleNet
- **Imaging:** Fiserv Source Capture, Jack Henry EPS, Q2, Finastra ECM, Advanced Fraud Solutions

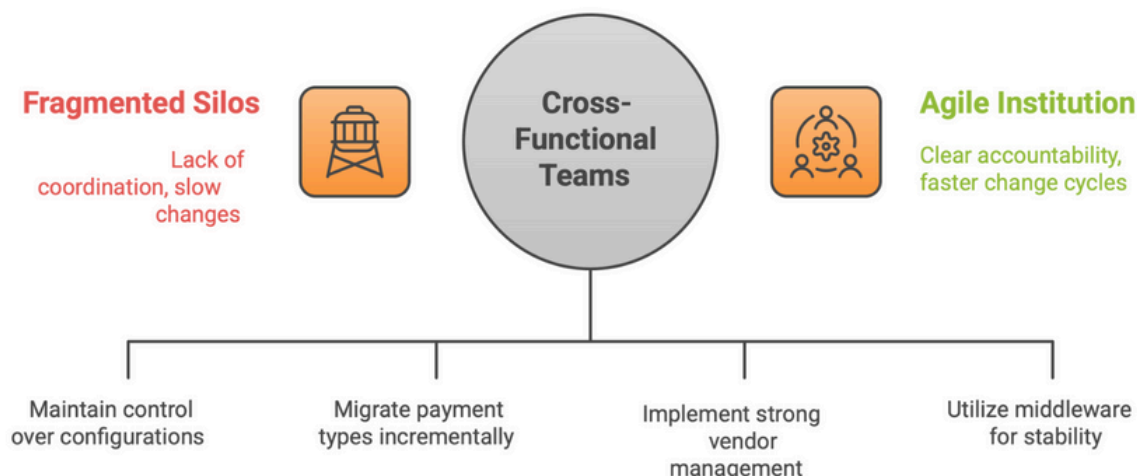
Regardless of vendor mix, how a bank chooses to execute—operationally and structurally—is what ultimately drives performance.

### Important Note:

This report focuses on the strategic direction of the payments industry—specifically the growing move toward consolidated, API-first payment platforms. It does not attempt to provide a detailed, apples-to-apples functionality or readiness comparison across individual vendor products. While many vendors are investing heavily in integrated payment hubs, including solutions like OPF, several platforms are still in various stages of development or rollout. As a result, banks are often continuing to operate legacy systems alongside newer platforms while waiting for full capabilities to mature. Strategic planning must account for this transitional phase across the industry.

## PART III: PEER STRATEGIES AND EXECUTION INSIGHTS

### Achieving Successful Banking Modernization



Here's where it all comes down to execution. No matter how solid your architecture or how modern your stack, it's your operating model and vendor management that determine success.

Here we detail real-world insights from banks that are putting these ideas into practice—how they're sequencing modernization efforts, how they're structuring their operating models, how they're leveraging middleware, and how they're keeping vendors honest. The patterns are clear: gradual moves, configuration control, and disciplined oversight are what separate the leaders from the laggards.

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### 3.1 Migration Practices

*"The smart approach is to migrate one payment type at a time... The days of massive, all-at-once conversions are over."*

### 3.2 Middleware-Centered Modernization

*"The middle layer is where the magic happens—it allows banks to maintain stability while gradually modernizing their payment capabilities."*

### 3.3 Operational Control

*“Banks that outsource everything, including operational knowledge, become too dependent on vendors... Maintaining operational control is essential.”*

### 3.4 Vendor Management Discipline

*“SLAs need teeth—financial consequences for missing targets and clear escalation paths when issues arise.”*

*“You need a system that starts a timer when issues occur, documents resolution time, and automatically notifies vendors.”*

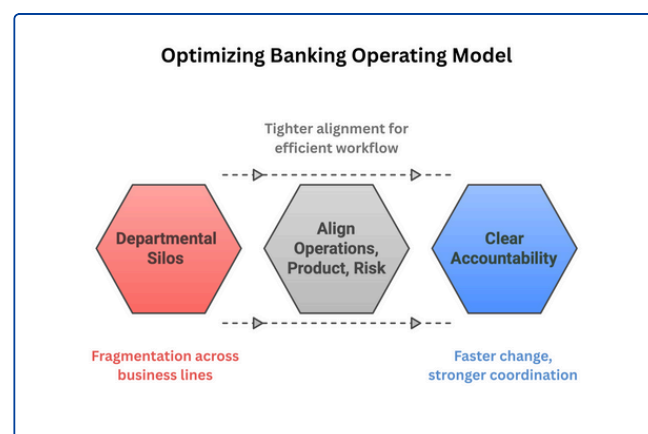
*“SOC 1 management is very important. Review findings, hold vendors accountable for any issues, and ensure complementary user controls are being implemented.”*

### 3.5 Operating Model Design

Beyond the stack and vendor set, how a bank structures its operating model has a direct impact on speed, flexibility, and cost.

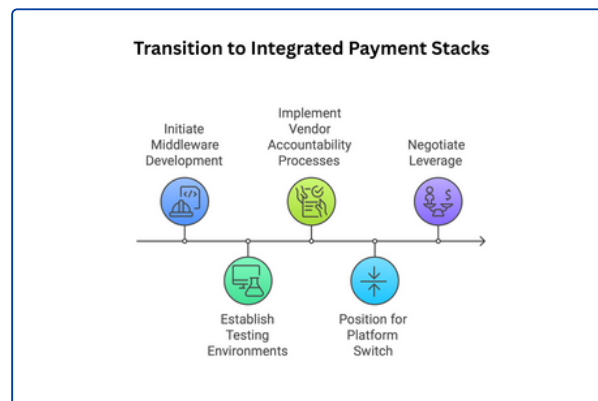
We’re seeing a clear trend: the most agile institutions are keeping control of configuration, testing, and operational workflows, while outsourcing infrastructure and maintenance. Some are experimenting with cross-functional team structures that bring payments operations, product, and risk into tighter alignment—rather than housing ownership solely within IT.

It's not a new idea, and past attempts have often cycled between departmental silos and functional silos. Both models have their trade-offs: departmental silos can create fragmentation across business lines, while functional silos can sometimes narrow focus too much at the expense of broader integration. But when cross-functional models are well-executed, they tend to create clearer accountability, faster change cycles, and stronger coordination between business needs and technical execution.

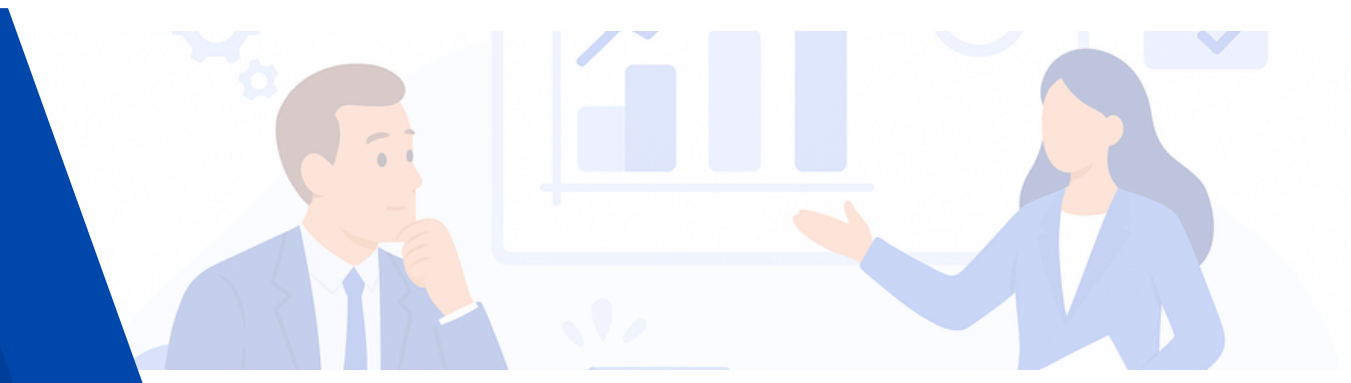
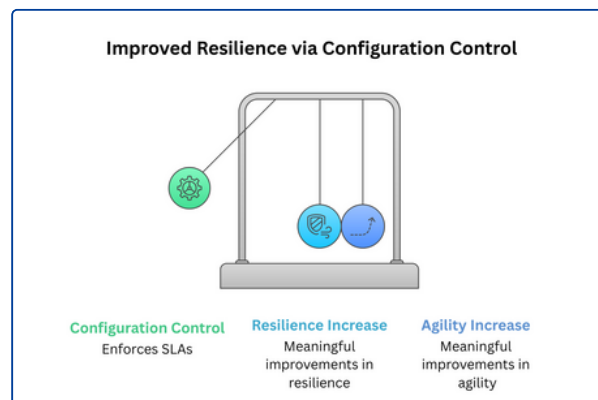


## Strategic Planning Implications for Bank Executives

For mid-sized institutions, the move to integrated payment stacks will unfold gradually. But those who start building the middleware, testing environments, and vendor accountability processes now will be better positioned to switch platforms or negotiate leverage when the time is right.

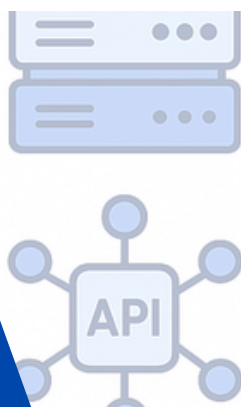


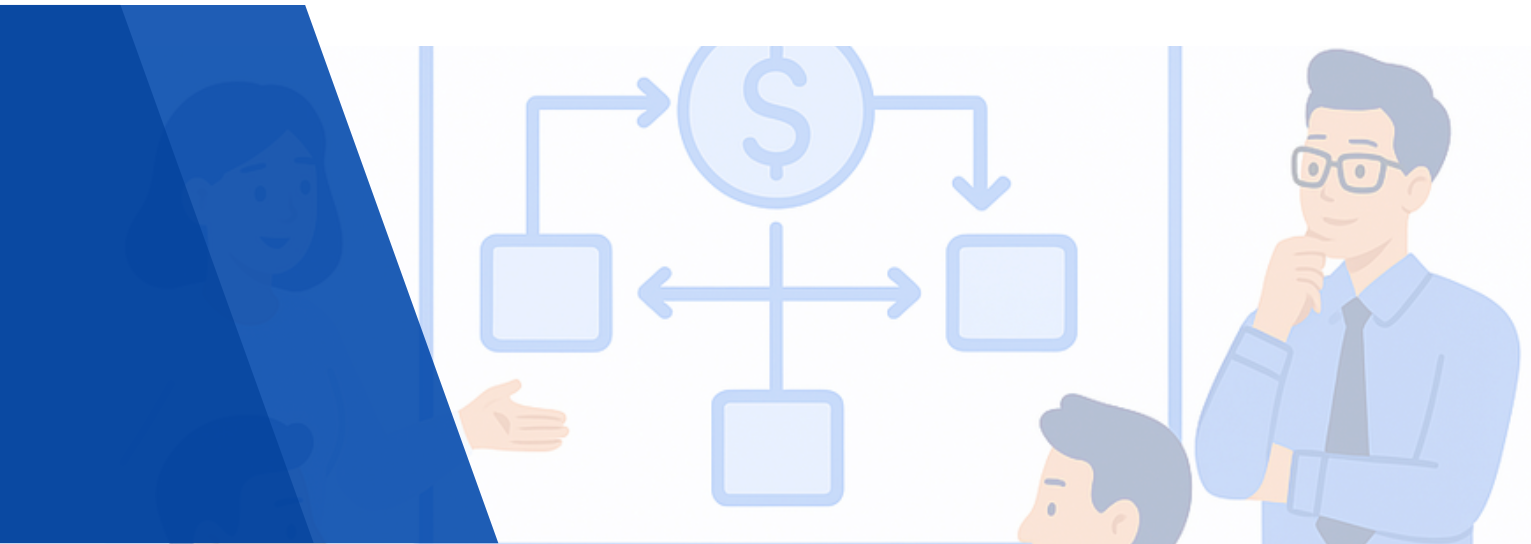
Even for those staying with existing vendors, increasing configuration control, enforcing SLAs, and preparing for ISO 20022 will create meaningful improvements in resilience and agility over the next 3–5 years.



## Key Takeaways

1. **Mid-sized banks are moving toward integrated payment hubs** to simplify operations—but with careful attention to regression testing impacts.
2. Hybrid operational models—**outsourcing infrastructure but retaining configuration and testing control**—are now the norm among leading institutions.
3. **ISO 20022 migration** is a catalyst not just for compliance, but for broader modernization of payment architecture.
4. **API-first integration strategies**, configuration ownership, and robust testing environments are essential for long-term agility.
5. Vendor consolidation is common, but peer banks are also building **middleware layers** to future-proof against lock-in.
6. **Strategic vendor partnerships—co-development**, beta programs, and roadmap influence—are becoming differentiators.
7. While FIS remains a key player, credible alternatives now exist across ACH, RTP, SWIFT, and imaging domains.
8. Success depends not just on platform selection, but on disciplined operational execution: phased migrations, operational control, and **active vendor governance**.





## Conclusion: The Art of the Possible

The payment landscape for banks is evolving rapidly—driven by rising customer expectations, regulatory changes like ISO 20022, and increasing pressure to control costs while staying nimble. This report highlights that a one-size-fits-all approach doesn't work. Every institution needs to assess its own volumes, operating model, and strategic priorities.

FIS offers a wide range of mature solutions, but a deeper look reveals opportunities to optimize—both within their suite and outside of it. With real alternatives gaining traction in ACH, real-time, and cross-border processing, and a growing focus on API-first architecture, banks now have the chance to step back and rethink how payment systems are sourced, integrated, and governed.

Rationalizing a payment portfolio isn't about chasing the newest technology or fully insourcing every function. It's about:

- Knowing where you're overpaying or duplicating capability
- Understanding which systems are strategic to control and which can be outsourced
- Ensuring that every vendor relationship is aligned with your business objectives, not just maintaining legacy infrastructure
- Building the configuration, testing, and middleware capabilities that give your teams real agility—whether you're using FIS or any vendor



## Conclusion: The Art of the Possible - Continued

**This is about creating strategic flexibility.** A sound middleware layer gives banks the ability to pivot when needed, even within a consolidated platform. Configuration control enables faster change without full dependency on vendor release cycles. Strong vendor oversight and contract structures ensure that banks stay in the driver's seat.

By taking a deliberate approach to payment portfolio rationalization, banks can reduce cost, improve operational resiliency, and accelerate innovation—without creating unnecessary complexity. It's about evolving payments as a capability—not a system. Done right, the payoff is a more agile, modernized platform that keeps the institution competitive in an increasingly dynamic market.

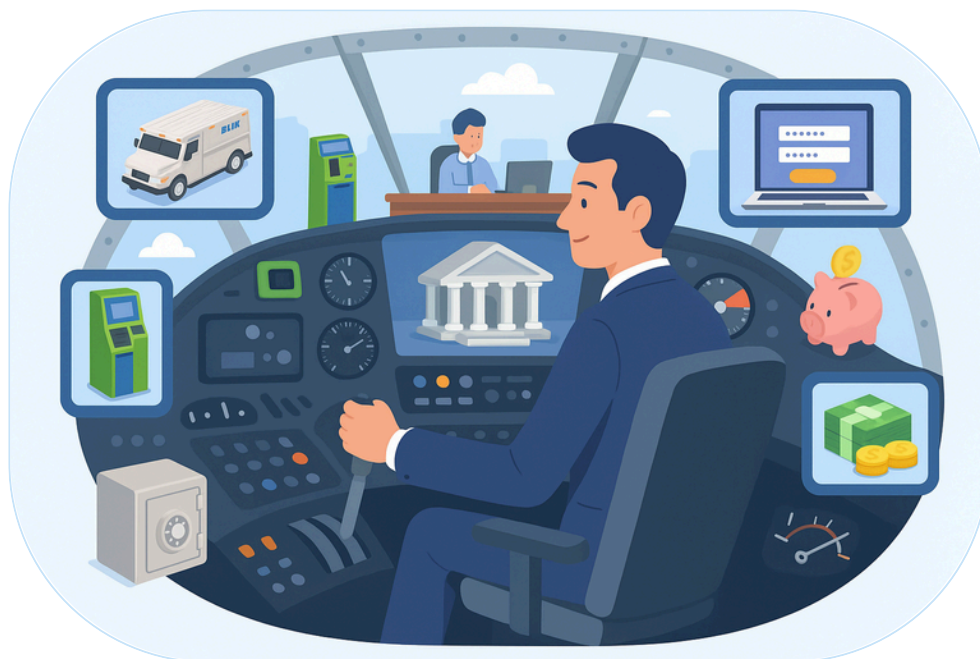
## APPENDIX: NOTES TO READER

These findings are shaped by direct input from seven deeply experienced payments leaders—spanning community banks, global institutions, and top-ten credit unions. Their collective message: to build a resilient, future-ready payments capability, you can't just outsource the pain. You need to stay in the cockpit.

This report was compiled with input from the author, a long-time consultant and operator in banking and technology. With nearly four decades of experience supporting operational / technology transformations and vendor negotiations across dozens of institutions, the perspective throughout reflects a practitioner's view—focused on impact, cost, and control.

The goal has always been the same: help banks make practical, strategic choices that improve performance without unnecessary complexity or cost.

Humble thanks to all who contributed their insights to this effort.



## METHODOLOGY & SOURCES

This report is based on direct interviews with seven payments professionals across large, regional, and community institutions; market intelligence from analyst firms; and platform analysis by Core System Partners. It was developed as part of a broader strategic engagement and reflects field-level insight as of Q2 2025.



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