

Where MercadoLibre and Nubank's turf war leaves rival banks

Article

The goal: Uruguay-headquartered [MercadoLibre's](#) payments and wallets platform **Mercado Pago** and Brazil-based [Nubank](#) are competing for dominance in Latin America's fintech and digital banking space.

The steps they're taking: Both banks are aggressively targeting Mexico and Brazil for growth, but with different strategies, per Bloomberg.

- In Mexico, they are competing to attract a large unbanked population by leveraging tailored financial products. Mercado Pago is [using its trove of retail data](#) to offer higher-yield deposits for cheaper funding, while Nubank has focused on offering cash deposits, per Fintech Nexus, and financial education, per a press release.
- In Brazil, the banks are vying for business in the lucrative credit card and merchant payment processing markets. Mercado Pago is rapidly expanding its market share again by leveraging ecommerce data for innovative credit models. But Nubank maintains a lead in consumer credit through its transaction data-driven strategies and established customer base.

Where this leaves competitors: Some [US banks are trying to build inroads in Latin America](#).

To do so successfully, they'll need to:

- Focus on offering personalized financial products that meet the evolving needs of tech-savvy users in Mexico and Brazil.
- Break down barriers that have prevented large parts of the population from participating in banking, such as high fees, distance to banking branches, and financial literacy issues. This will require time and dedication to rebuilding trust in financial institutions.

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