

U.S. Bank to bolster SMB suite with Bento buy in a challenge to neobanks

Article

The news: U.S. Bank will [acquire](#) Bento Technologies, a fintech that offers small and medium-sized businesses (SMBs) cash flow management solutions. The size of the deal is undisclosed, and it's slated to wrap up in September. Bento's products include controls for card transactions and spend monitoring.

More on this: Bento's offerings, which are geared toward SMBs' accounts payable sides, will be paired with U.S. Bank's accounts receivable software products: **talech** and **Elavon**. The end result, the banking giant claims, will be "a holistic one-stop experience" for both sides of cash flow operations.

The bank also suggested that Bento's products complement its broader array of SMB offerings, including its cards, deposit accounts, payments acceptance, and digital funds transfers.

- Bento's corporate card options include **Spend Limit**, which is intended for day to day transactions where users need to submit receipts, and **Fixed Value**, which can be used for specific purposes or one-time transactions.
- The fintech's streamlined invoicing product, **Bento Pay**, lets payees receive transaction details through their email address and then pick how they want their funds deposited.

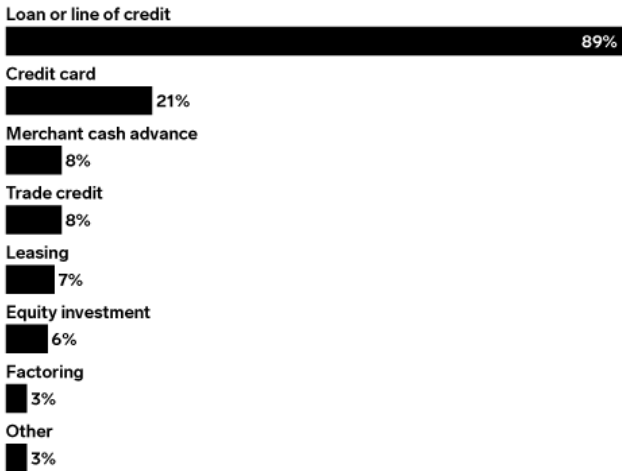
The big takeaway: U.S. Bank's Bento combo will round out its suite of cash flow tools, enhancing its appeal to existing SMB customers, and give it a chance to cross-sell its current lineup to the fintech's own users.

This broad product lineup can help U.S. Bank fight off insurgent challengers that are rolling out their own SMB banking offerings, including

- **Brex**, which has products such as expense tracking and controls, plus corporate cards with a sliding rewards scale that goes **up to eight points per dollar spent**.
- **Square**, which became an SMB-focused neobank last month with its rollouts of checking and savings accounts.
- **Capital on Tap**, a UK fintech that issues cards to SMBs and will launch in the US after bagging a **\$100 million credit facility**.

Financing and Credit Products Sought by US Small Businesses, Oct 2020

% of respondents



Note: n=3,382; small businesses have less than 500 employees; excludes emergency funding applications

Source: Federal Reserve Banks, "Small Business Credit Survey: 2021 Report on Employer Firms" in collaboration with the NORC at the University of Chicago, Feb 3, 2021

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