

# Visa and Fundbox team up on SMB payment solutions

## Article

**The news:** Visa partnered with Fundbox, a fintech specializing in small-business loans and spend management tools, to introduce the Fundbox Flex debit card, per a press release. The two companies will also launch a buy now, pay later (BNPL) solution for small businesses and card-based push payments through Visa Direct.

**What's in store:** The Fundbox Flex Visa debit card, issued by **Pathward** (formerly MetaBank), could integrate Fundbox's Insights feature, which is in beta testing. It lets businesses connect multiple bank accounts to view their combined balances and cash-flow predictions. This could help small businesses digitize their accounts payable processes.

Although there aren't any details on the BNPL solution, it may rely on Visa Installments—Visa's BNPL program. This wouldn't be surprising considering Visa's **secured** several BNPL partnerships and recently **launched** the Visa Ready for BNPL program to fast-track onboarding. The BNPL solution could help small businesses minimize cost pressures exacerbated by high inflation.

The Visa Direct integration will help speed up loan disbursement for Fundbox, which offers small businesses lines of credit up to \$150,000.

**Why it matters:** Small and medium-sized businesses (SMBs) are **expected to spend more than \$100 billion on payment services** by 2025, **according to** McKinsey & Company.

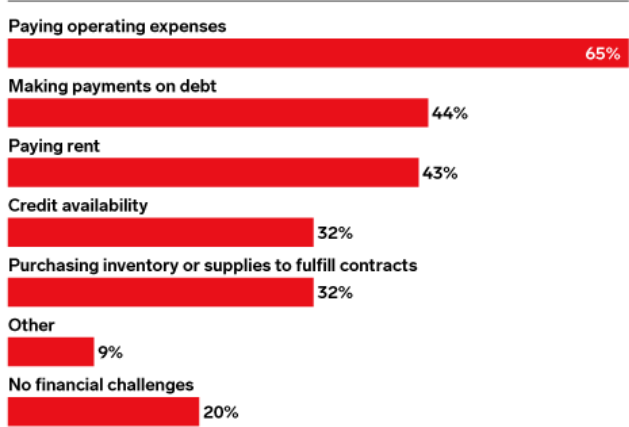
Here are three ways payment service providers can tap this market opportunity:

- **Improving financing solutions.** Accessing credit and paying off debts are among the **top** financial challenges facing small businesses. Easier and more streamlined credit solutions like Fundbox's can help mitigate those challenges. And looking ahead, merchant-facing BNPL solutions could also be a key tool in allaying financial concerns.
- **Enabling faster payment options.** Small businesses prioritized payment digitization during the pandemic—and they may turn their attention to faster payments next, which can give them a clearer view of their cash flows. This could make solutions like Visa Direct more popular.
- **Offering access to data and analytics.** Data and analytics services give businesses a more comprehensive understanding of their finances and can inform their operating strategies. Payment service providers like Fundbox have started offering these as value-added services to tighten merchant relationships and diversify their revenue streams.

**The big takeaway:** Visa's partnership with Fundbox can help it bolster card volume, expand Visa Direct and its BNPL program, and strengthen its presence in the small-business market. This sector is expected to bring in about **\$16.501 trillion in sales annually**, **per** Insider Intelligence estimates based on the most recent US Census Bureau data. The tie-up lets

Fundbox use Visa’s solutions to improve its capabilities and become a more attractive partner for small businesses.

**Financial Challenges Faced by US Small Businesses During the Past 12 Months\*, Oct 2020**  
% of respondents



Note: n=9,645; small businesses have less than 500 employees; \*approximately H2 2019-H1 2020  
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  
266404 InsiderIntelligence.com