Adriana Nunez

Payments startups secure funding despite economic worries

Article

The news: Three payments startups secured funding as investors try to read the tea leaves for where the economy is headed next.

AtoB, a payments startup that serves the trucking industry, raised $155 million in Series B funding, per a press release.

- AtoB offers no-fee fleet cards, instant direct deposit, fuel analytics software, and access to bank accounts and savings tools.
- It plans to put funding toward product development, working capital for small businesses, and global expansion.

UK-based fintech Super Payments—slated to launch later this year—raised £22.5 million ($30.9 million) in seed funding, per TechCrunch.

- Super Payments' platform aims to cut out payments middlemen, which can charge high processing fees. Super Payments will let businesses promote and sell their products, and customers will be able to earn cash back when they shop on the platform.
- Customers can pay with debit or credit cards, **PayPal**, **Klarna**, or Super Payments' proprietary payment method—which carries no fees and offers instant cash back. The cash back and commission fees depend on the payment method customers select.

Remittance startup Pomelo raised $20 million in seed funding, per TechCrunch.

- The startup offers a unique business model: Migrant workers can transfer money to loved ones abroad in the form of credit. A Pomelo account comes with up to four **Mastercard** credit cards that remittance senders can set limits on and view spending information for. Remittance recipients can use the cards wherever Mastercard is accepted.
- Pomelo uses alternative creditworthiness metrics to approve credit lines for senders; accounts also come with an optional credit-building tool. Pomelo doesn't charge senders transfer fees. Instead, it claims to earn money from interchange fees paid by merchants when recipients use their remittance cards.

Why it's worth watching: Fintech funding dropped off sharply in H1 amid growing economic uncertainty.

- Global fintechs landed **$50.7 billion in funding in the first half of the year**, down nearly 23% from H1 2021, according to CB Insights, but still notably higher than 2020.
- This year's decline in funding was likely due to rising interest rates and concerns of an economic downturn compelling investors to tighten their purse strings.

While some buy now, pay later (BNPL) providers and crypto payments startups are experiencing an investment crunch, the payments space overall seems to be holding up. Many of the startups landing funding are focused on meeting niche needs—like **Forage**, whose tech lets online grocery shoppers pay with food stamps—or improving digital payments in high-growth markets, like **MFS Africa** or India's **Slice**.

The uptick in payments merger and acquisition activity may also indicate the payments sector's ability to hold firm amid market uncertainty.

*This article originally appeared in **Insider Intelligence's Payments Innovation Briefing**—a daily recap of top stories reshaping the payments industry. Subscribe to have more hard-hitting takeaways delivered to your inbox daily.*

- *Are you a client? Click here to subscribe.*
- *Want to learn more about how you can benefit from our expert analysis? Click here.*