

Visa and Fiserv use fintech funding slump for M&A discount shopping

Article

The news: Incumbent payment providers are capitalizing on this year's funding slump to explore acquisitive growth opportunities.

- **Visa** will reportedly buy Brazil-based paytech **Pismo** in a deal that could top \$1 billion later this month, people familiar with the matter [told](#) Bloomberg.

- And **Fiserv** is exploring takeover opportunities to grow its merchant-focused arm, **Clover**, and to add new services, [per](#) Payments Dive.

What do Visa and Fiserv stand to gain?

- Pismo's strong position in Brazil, where it counts legacy bank **Itaú Unibanco** and **BTG Pactual** as clients, can help Visa to grow in South America. The paytech can also make Visa more attractive for issuers by doubling down on key services in the region like fraud protection and open banking—as well as card issuing, lending, and banking software.
- For Fiserv, acquisitions can strengthen its offering in the retail space. And it could support Clover's [push to grow at sporting venues and arenas](#) to attract a wider base of clients and drive revenues. Clover is already a big earner for Fiserv: Its **annualized gross payment volume in Q1 was \$231 billion**, up 17% year over year.

The bigger picture: Excluding Stripe's \$6.5 billion raise, **Q1 global fintech funding fell 12%** and deal count dropped for the fourth straight quarter, per CB Insights. The harsh funding environment for [payment startups](#) and [fintechs](#) is creating opportunities for incumbent firms with deep pockets.

Expect legacy payment providers to nab smaller firms on the cheap to add new technology, expand market share, and attract customers quicker than through organic growth. But economic uncertainty will force firms to exercise prudence when considering buyouts and likely prioritize lower-risk deals that will add value faster.



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