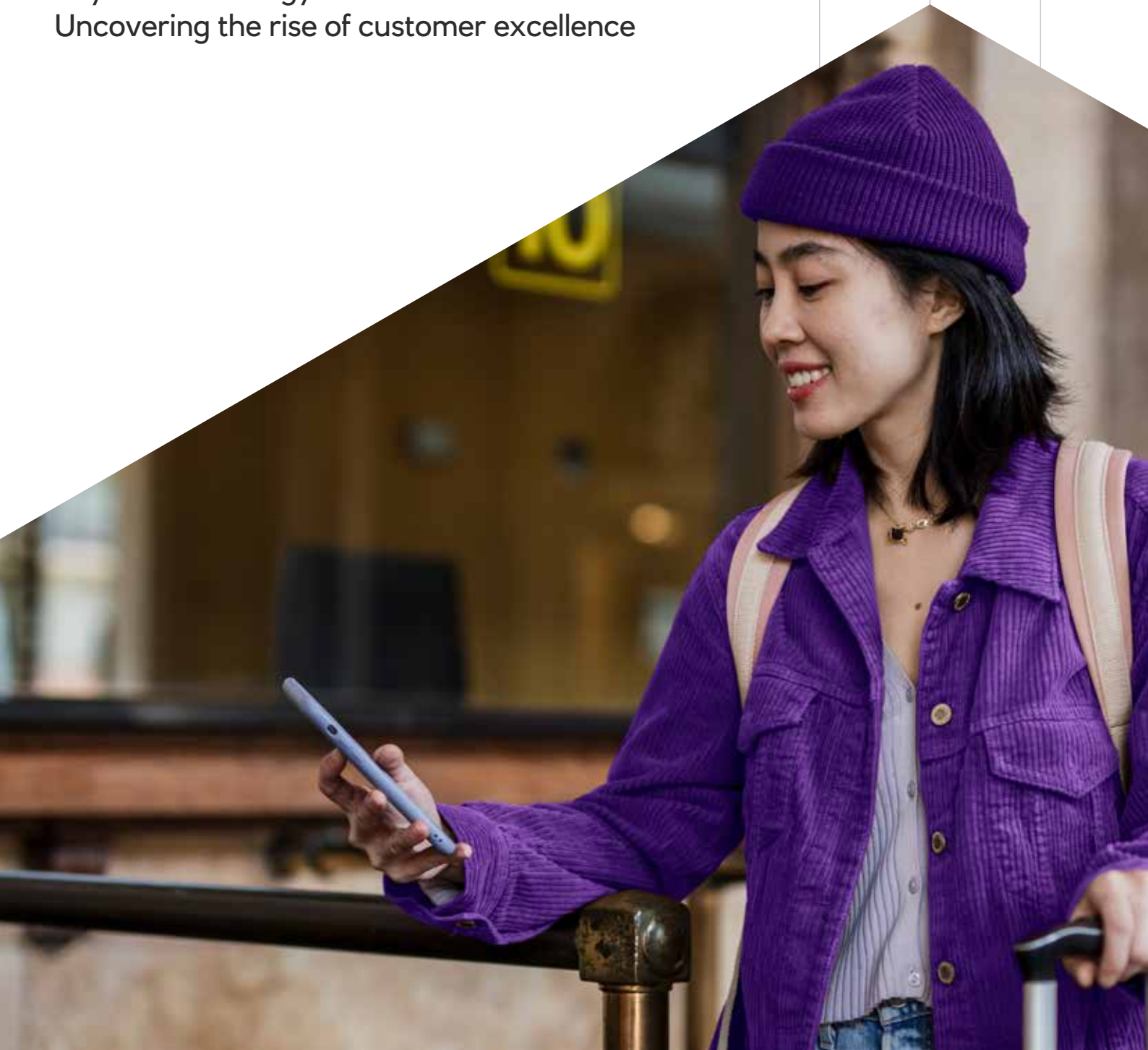




# Embedded finance: Success and shifting goalposts

Beyond technology:  
Uncovering the rise of customer excellence



# Contents

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Introduction .....	.03
Executive summary .....	.04
Methodology .....	.06
Beyond BNPL: embedded finance offerings .....	.07
Integration and support: selecting a provider .....	.08
Loyalty and conversion: embedded finance success .....	.10
Shifting goalposts: the new demands on embedded finance providers .....	.11
Conclusion .....	.13



# Introduction



Embedded finance, the seamless integration of financial products or services into non-financial services brands, is now an everyday experience for many consumers.

Most experience it as consumer credit, such as Buy Now, Pay Later (BNPL) offerings at an online checkout. Many consumer brands have broadened the range of financial products embedded, offering personal loans, savings accounts, insurance and more to their customers.

According to Boston Consulting Group, 50% of global banking revenue will be earned by non-banks, up from 28% in 2022, by 2030. This is no longer an emerging market, and that means a shift in needs and demands.

For many consumer brands, the question is no longer about whether to offer embedded finance, but rather how, and who with?

The technical excellence of embedded finance providers remains vital to create and maintain services, but customer and operational excellence are equally as important.

Embedded finance drives brand loyalty, boosts customer conversion rates and generates new revenue streams, all while safeguarding brand reputation. For providers, this means not only offering innovative services, but effectively supporting customers that are using these services.

At NatWest Boxed, we set out to explore how the implementation of embedded finance products impacts brands, specifically regarding the support they and their customers receive, and the subsequent effects on their service, business, and reputation.

Armed with this knowledge, embedded finance providers and consumer brand partners can address these issues and deliver services that improve customer and business outcomes—ensuring embedded finance continues to deliver on its enormous promise.

## 50%

of global banking revenue will be earned by non-banks, by 2030



## Executive summary

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Almost every consumer brand that has implemented embedded finance has seen positive outcomes: increased customer loyalty, repeat business, and positive feedback.

However, the success and growth in consumer brands embedding financial products into their customer journeys has changed expectations and providers need to meet them.

Most brands report that support enquiries have increased since offering embedded finance—and they want providers to be the first point of call. Brands no longer see technical excellence as a priority in their choice of provider—it's expected that their providers will be able to deliver on their promises. Now, customer excellence is the new battleground, more important than cost, technical support, and new products.

While providers are offering the right financial products, their ability to support customers using those products will increasingly be the basis of evaluation.

Embedded finance providers must evolve beyond being solely technology specialists, offering customer support that matches their brand partners. Success has changed expectations, and providers need to change to meet them.

## Key findings:

78%

of brands have seen an increase in customer loyalty, average order value and conversion rates, as a result of embedded finance

57%

brands want to promote their embedded finance provider to their customers as a recognised, trusted name



Brands offer an increasingly diverse range of financial products, not just BNPL

90%

of brands have seen an increase in customer support enquiries since launching their embedded finance product

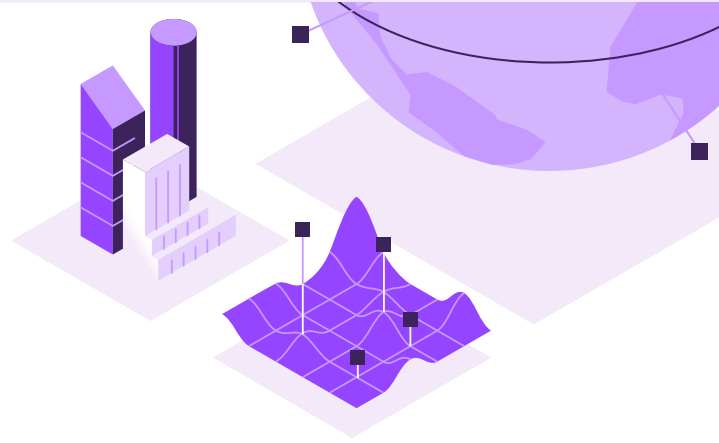
Only

46%

of brands believe their current provider will be able to handle increased customer intake without delays or downtime.

53%

Success is placing new demands on providers: customer excellence is a priority over technical excellence – however only 53% of brands say that ‘customer excellence’ applies to their current provider.



# Methodology

NatWest Boxed engaged independent research house Sapio to survey 134 heads of department and C-level executives of consumer brands that have implemented embedded finance across travel, retail and grocery, pensions and insurance, and energy and utilities.

The survey was limited to UK businesses of over 250 employees, and covered different types of embedded finance providers: fintechs with e-money licence, traditional bank Banking-as-a-Service (BaaS) units, BaaS-focused neobanks, and branded BNPL providers.

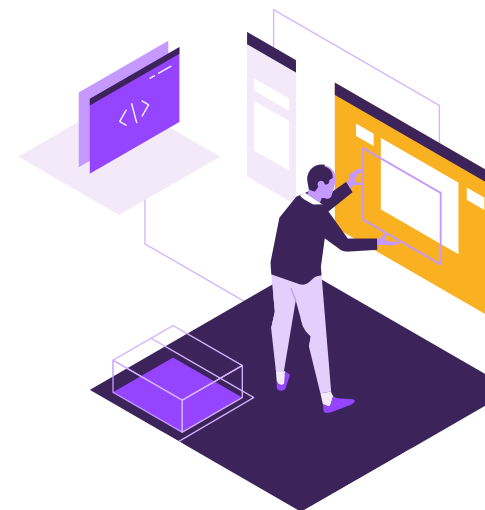
# 134

heads of department  
and C-level executives

Survey limited to UK  
businesses of over

# 250

employees



# Beyond BNPL: Embedded finance offerings

The term ‘embedded finance’ often brings to mind consumer credit, such as BNPL, which is seen as the poster child for embedded finance.

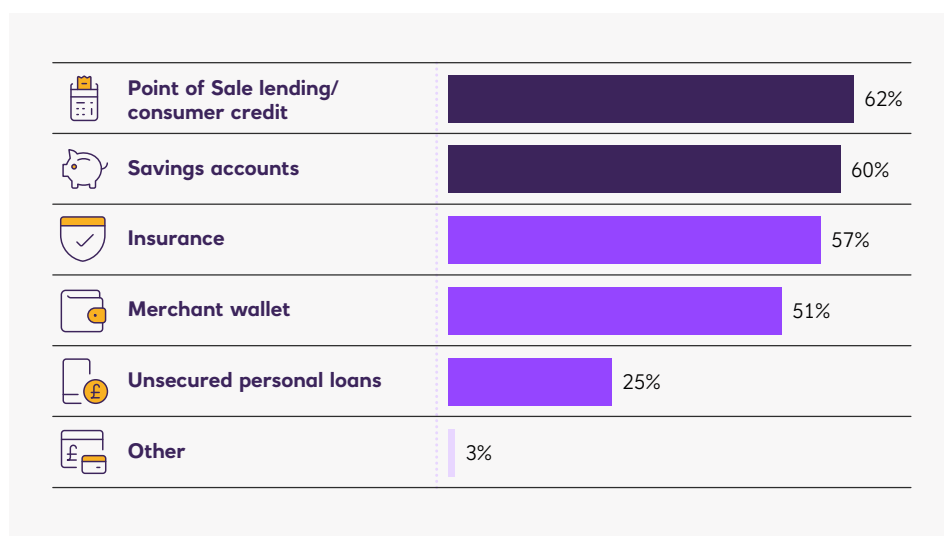
Most consumers have experience of the option to pay in installments at checkout, even those who haven’t used embedded finance in any other way. It’s also the type of embedded finance that has received the most scrutiny, with enhanced regulation due to come into effect in July 2026.

Our research shows that, while consumer credit is the most popular embedded finance product offered by brands, other services are almost as popular. Alongside consumer credit, savings accounts and insurance products were also rated in the top three products offered. Embedded finance may be synonymous with credit for some, but the reality is different.

Looking at the difference in service offerings between sectors, the variance isn’t as pronounced as we would expect. 73% of consumer brands offer credit, but over half also offer savings accounts. Insurance and pension firms mostly offer savings and insurance as embedded products, but two-thirds also offer consumer credit.

While we acknowledge embedded finance as a maturing market, its adoption has been stronger and more varied than one might expect. Different vertical markets are offering a broad range of financial products to their customers, extending beyond consumer credit.

## Embedded finance products that consumer brands currently offer:



# Integration and support: selecting an embedded finance provider

To better understand what brands are looking for from a provider, we asked their selection criteria, and also why they rejected particular providers.

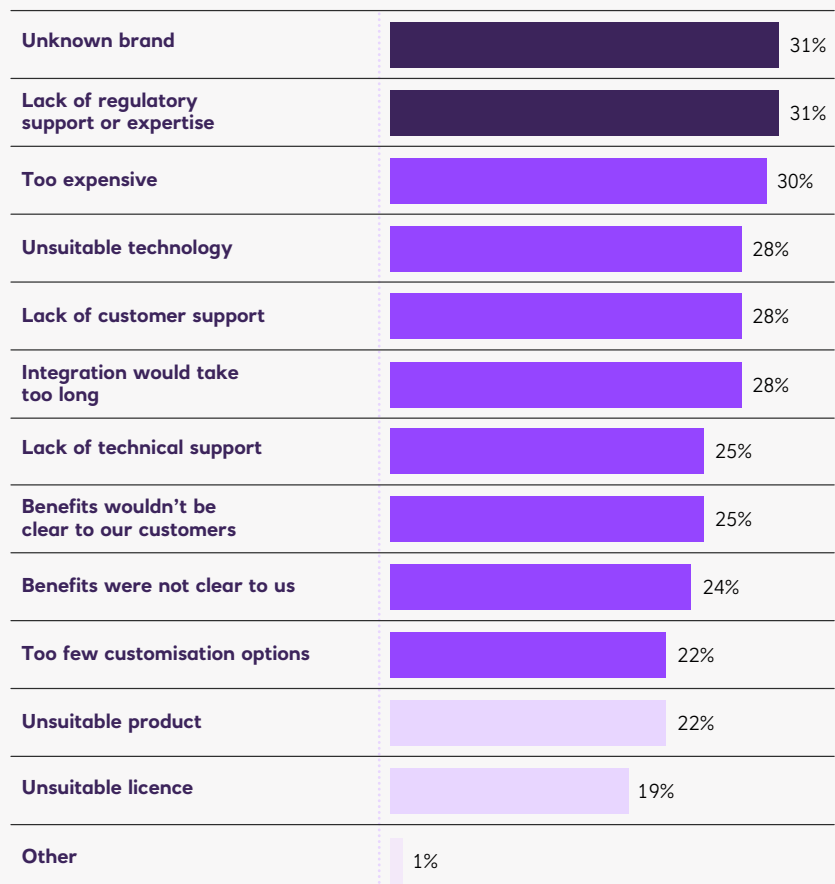
A third of respondents had rejected a potential partner because of an unknown name. The second most popular reason was a lack of regulatory expertise. Both of these answers were more common than price.

The least common reasons for rejection were unsuitable products, or an unsuitable licence, while a lack of customer support and technical support were cited by a quarter of respondents.

Embedded finance providers are still competing on price to an extent, but beyond that we can see what's really important to brands. 57% want a trusted name they can highlight to their customers. Also, 96% said the fees they were paying as part of their deal were fair, so while price is a consideration—as it always will be—brands are broadly happy with this aspect of embedded finance.

They also want a partner who can support them with regulatory issues. As financial services are among the most regulated industries, any business offering them needs to partner with compliance experts.

When selecting an embedded finance provider, which of the following reasons led to you rejecting any of those you considered or shortlisted?







“Unsuitable product” is, however, one of the least common reasons for rejection. This indicates that providers have, on the whole, a good understanding of consumers’ needs with the range of products offered.

When asked the main reasons for selecting (rather than rejecting) a provider, easy integration and customer support were cited as the top two priorities. Least important was the ability for a brand to run their own embedded finance operations, and customisation of offerings. For insurance, pension, and utilities brands, customer support was identified as even more important, with 30% rating it a top-three priority.

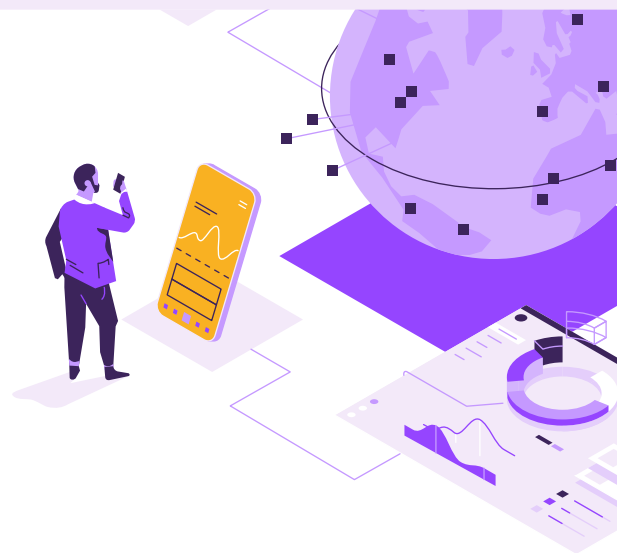
This indicates that brands seek to avoid the heavy lifting of embedded finance, preferring a simple setup and for the embedded finance provider to manage operations, complex integrations, customer onboarding, and problem resolution.

While the promise of embedded finance is that any brand can offer bank-like services, this doesn’t mean they need to *become* banks.

## Which of the following are the most important to you in terms of what you need from an embedded finance partner?

<b>Easy integration with your data and systems</b>	31%
<b>Easy support for your customers</b>	28%
<b>Cost effective solutions</b>	25%
<b>Banking licence</b>	22%
<b>Easy to reach technical support</b>	22%
<b>Timely support for your customers</b>	22%
<b>A good track record of delivering similar services</b>	22%
<b>Easily integrated embedded finance API</b>	18%
<b>Easy onboarding for customers</b>	18%
<b>Recognisable brand name</b>	16%
<b>The ability to run your own operations, rather than using the provider’s operations</b>	16%
<b>Simple-to-launch new products</b>	16%
<b>Customisation of embedded finance offerings</b>	16%

# Loyalty and conversion: embedded finance success

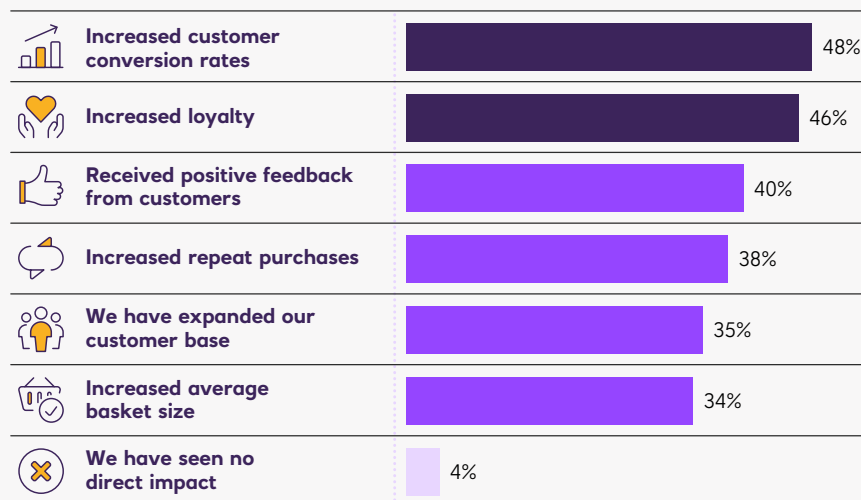


Nearly every brand implementing embedded finance has experienced multiple positive impacts, including increased conversion rates, enhanced loyalty, and positive customer feedback.

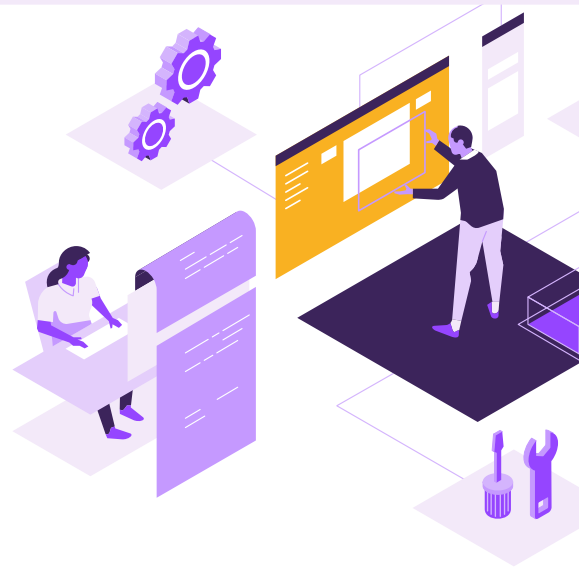
This indicates that customers are purchasing more, returning for repeat business, and are generally more satisfied with their brand interactions.

These successes extend beyond the obvious benefits, with over a third of brands expanding their customer base thanks to embedded finance, demonstrating its ability to attract new customers in addition to appealing to existing ones.

## What direct impacts have your embedded finance products had on your business to date?



# Shifting goalposts: the new demands on embedded finance providers



Brands recognise the value of embedded finance in driving customer satisfaction and improving their bottom line. As a result, they are now rightfully expecting more from their providers.

When we asked participants to rank their needs from a provider, customer excellence was emphatically number one over operational and technical excellence. However, only 53% of respondents were able to say that “customer excellence” applied to their current provider.

This means that while embedded finance providers are skilled in technology, providing easy integration, advanced products, and technical support, there’s a growing expectation that they also excel in customer service. Providers need to focus on delivering accessible and reliable support to end-users and ensuring a positive customer experience, in addition to maintaining their technical capabilities.

## Definitions

### Technical excellence

APIs, cloud technology, ease of integration, anything to do with the technical aspect of embedded finance.

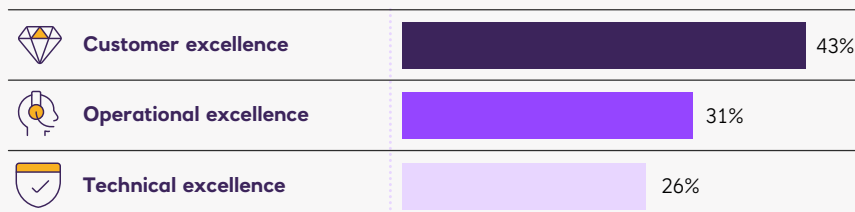
### Operational excellence

Includes processes, documentation, client support, compliance.

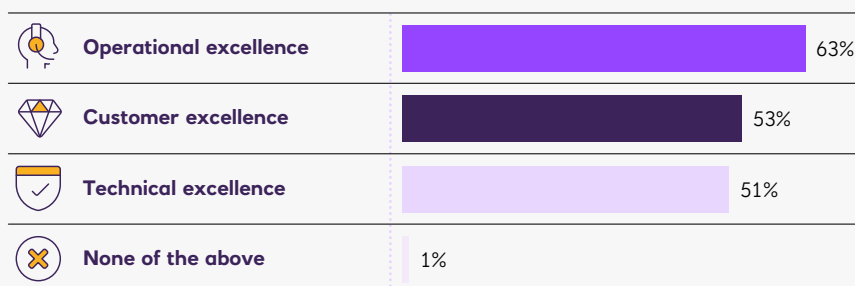
### Customer excellence

Customer experience, handling, support, any interactions with the end user.

What is most important when working with an embedded finance provider:



What applies to their current embedded finance provider:



This shift in expectations is also driven by the effect of embedded finance on support enquiries.

Over 90% of respondents reported an increase in customer support enquiries since launching their embedded finance product, with nearly half describing this increase as 'significant'. While an uptick in support inquiries is expected when introducing any new service, this finding underscores why 'customer excellence' from providers is so highly valued by brands.

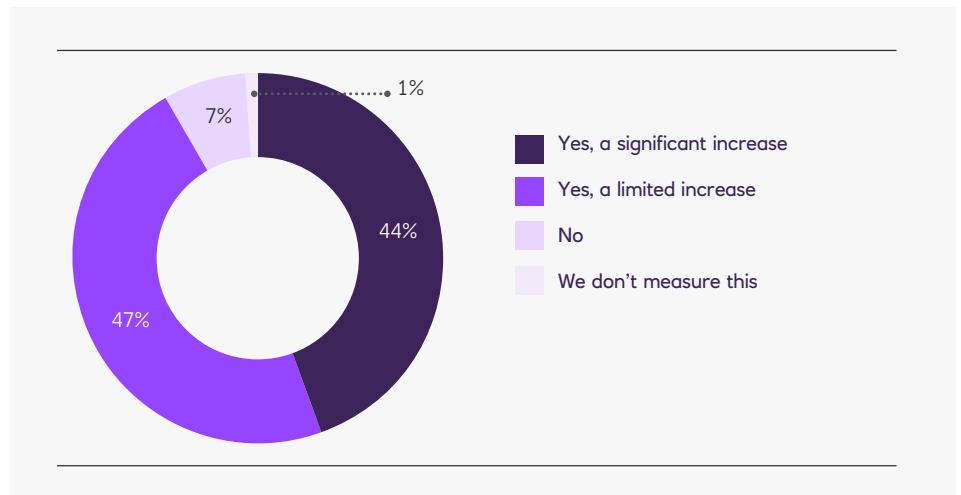
Beyond support, only 46% of respondents believe that their current provider would be able to handle increased customer intake without delays or downtime. So whilst customer excellence is an important consideration, technical resilience is still important to ensure scalability.

A minority of respondents (38%) feel their embedded finance provider's customer service meets their own quality standards, and just 43% are satisfied with how their provider handles complaints. This means that while some providers offer good customer service, they are in the minority, and a significant majority of respondents (60%) are unsatisfied with the level of service they receive from their providers.

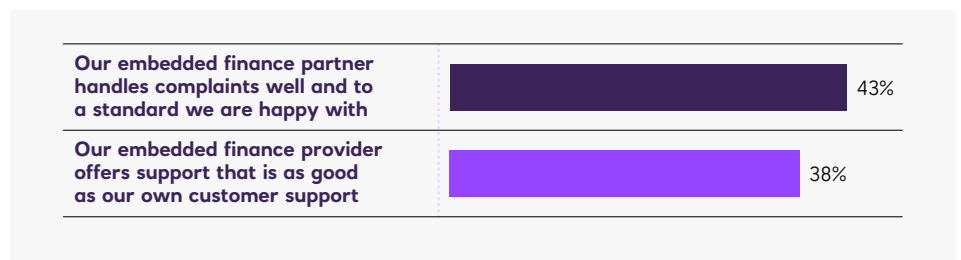
80% of respondents also indicated a preference for a dedicated customer support team from their provider, with this figure increasing to 90% for utilities, insurance and pension companies.

Embedded finance providers have successfully demonstrated their ability to create valuable services for brands and their customers. However, the expectations have now shifted, requiring providers to deliver a comprehensive customer experience that aligns with this proven success.

## Since launching embedded finance products, have you seen an increase in related customer support enquiries?



## To what extent do you agree with the following statements?



# Conclusion: Brands value embedded finance, but consider customer excellence to be equally important

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The widespread adoption of embedded finance marks a significant success, and embedded finance providers need to build on that success in the right way.

In the initial stages of any innovative product, technical excellence is prized. Brands require assurance with recognised and trusted providers who can deliver on to their promises, swiftly resolve issues, and rapidly bring products to market ahead of competitors.

The critical question, then, is whether these products can be delivered with continuity of service and high levels of customer satisfaction. While ease of integration is the top priority for buying decisions, customer support follows as the second most important factor, even ahead of cost.

The embedded finance market has matured, and priorities are shifting. Brands need trusted embedded finance providers that can address customer, operational and regulatory challenges as they seek to scale and optimise their offerings.



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## About NatWest Boxed

NatWest Boxed offers a cloud-native Banking-as-a-Service platform that enables brands and fintechs to seamlessly offer financial services to their customers, securely and at scale.

Combining our technology stack, banking licence, compliance expertise and operational support, our vision is to power the UK's best embedded financial experiences. Today, we employ more than 600 people across locations in the UK and Poland. For more information, visit [nwboxed.com](https://nwboxed.com).

