



Fintech Predictions 2025



Will fintech see funding resurge? Will AI launch a revolution?

Plaid Co-founder and CEO Zach Perret offers his take on the industry's biggest trends for 2025.

In 2024, real-time bank payments found a range of new use cases, while cryptocurrency made a roaring comeback.

This year, trends ranging from fraud prevention to a surging interest in stablecoin will drive fintech leaders' next moves. Get ahead with Perret's predictions, featuring commentary from Plaid and industry experts.

FEATURING

ZACH PERRET, CO-FOUNDER & CEO, PLAID

JEN TAYLOR, PRESIDENT, PLAID

JOHN PITTS, HEAD OF POLICY, PLAID

REX SALISBURY, FOUNDER & GP, CAMBRIAN VENTURES

Watch the [full 2025 Fintech Predictions conversation](#) for more insights.

Table of contents

04	Fraud becomes the #1 discussion topic for banks
06	There will be lots of AI hype, but mostly just hype
08	Fintech funding is back!
10	Bank regulators will start largely intact
12	Stablecoins will grow massively
14	The big banks become advertising platforms





01

Fraud becomes the #1 discussion topic for banks

Losses related to identity fraud have already seen a profound increase in recent years—with no end in sight. As a result, financial institutions will make fighting fraud their top priority.

“ Fraud is going to surpass regulation in terms of what banks are thinking about day to day.

ZACH PERRET, CO-FOUNDER & CEO, PLAID

Signs would indicate that's already the case.

JEN: Fraud is the number one concern I hear with customers. Deepfakes in the fintech sector were up 700% year over year in 2023. AI tools are getting better and better. You also have first party fraud, and that's costing about \$100 billion annually. It's coming in from every angle.

A collective approach

At its core, fraud is about identity.

“There's a single thing every fraudster has in common: They have a bank account. That means they've been able to move from account to account, even though they've committed fraud multiple times. That's because there's no good identity-information sharing to block a fraudster from getting past KYC once they've bypassed it at some other institution.

JOHN PITTS, HEAD OF POLICY, PLAID

The [National Task Force for Fraud & Scam Prevention](#), launched by the Aspen Institute in 2024, aims to develop a coordinated and cross-sector national response to this problem. Participants include the largest banks, as well as Amazon, Meta, Google, and Plaid. The initiative is a clear indicator that fraud will become a banner issue for this year's legislative, policy, and business agendas.

Why it matters

According to the Federal Trade Commission (FTC), [consumers reported](#) losing \$10 billion to scams and fraud in 2023. The cost to individuals and businesses not only continues to rise, but these incidents create a significant loss of trust.

\$40B

AI is [predicted](#) to drive fraud losses in the US to \$40 billion by 2027.



02 There will be lots of AI hype, but mostly just hype

Artificial intelligence was one of the most talked about topics in 2024. This year, many fintechs will invest in back-office AI tools to increase productivity and employee efficiency.

However, there'll be relatively little impact on fintech's customer-facing products, despite hype around everything from AI-personalized banking to AI-driven investment portfolios.

“There are structural challenges around AI. The first of these is data access and privacy. Everybody's got a lot of data, but it's hiding in silos. Being able to take inventory and figure out if the data's any good—then actually integrate it into a model that's powerful and delivers value in a generative way externally—is going to take time.

JEN TAYLOR, PRESIDENT, PLAID

JOHN: Until AI is enterprise-ready, and then enterprise-ready for financial services...we're not going to see wide adoption.”

An accelerating force

Historically slow to adopt technological change, banks are integrating AI with impressive speed. Morgan Stanley, for example, rolled out its OpenAI-powered tool, Debrief, in under a year.

The spirit of competition and interest from the market will push financial institutions to get their data infrastructures in order.

Why it matters

Even without material adoption or consumer product launches, financial institutions are rebuilding their data warehouses and experimenting with AI-powered tools. Expect AI innovation from fintechs over the next two to three years—and from banks several years later.

35%

of organizations cite errors
with real-world consequences
as the #1 barrier to adopting AI.





03 Fintech funding is back!

After several years of fintech winter, the industry will begin to ease into spring.

“ While we’re not going to reach 2021 levels, total venture investment in fintech and crypto could rebound to 2018 or 2019 levels.

ZACH PERRET, CO-FOUNDER & CEO, PLAID

Consolidations and acquisitions also dot the horizon, serving as another way to fund strong business ideas.

JEN: 2025 will be a year of consolidation and the funding of some winning models. We’re already seeing consolidation in the market, and we’ll see more as the economy continues to recover and emerge from the crypto winter.

A VC thaw

Fintech startups on Carta combined to raise about \$3.8 billion in new venture capital funding over the first nine months of last year. And while total venture investment in fintech was still down 11.6% year-over-year in 2024, this was a major deceleration from its 45.3% decline in 2023.

Why it matters

Last year saw the major acquisitions of Brigit, Bridge, MoneyLion and TradePMR. At the same time, confidential IPO filings of several fintechs signal new and exciting ways that money is poised to flow back into the industry.

41%

At the end of 2024, the F-Prime Fintech Index was up 41%, outperforming the Nasdaq, S&P 500, and Dow Jones.



04 Bank regulators will stay largely intact

Despite rumors about their erasure or merger, the nation's regulatory agencies will stay relatively stable.

“The far-reaching, long arm of the regulatory agencies will pull back, but the focus on core issues will stay roughly the same.

ZACH PERRET, CO-FOUNDER & CEO, PLAID

What will change is the way these agencies carry out their oversight.

JOHN: When people talk about regulation, nine times out of ten, they're actually complaining about supervision..we're keyed up for a significant rethinking of what the supervisory process looks like.

No easy feat

The Fed, OCC, FDIC, CFPB, and SEC require legislative effort to be reorganized. The likelihood of any such legislation passing Congress in its current form is slim. Expect a reset in Washington as policymakers shift focus to modernizing oversight approaches to match today's digital reality.

Why it matters

Regulatory overreach can hinder innovation. At the same time, uncertainty can cause confusion for both banks and fintechs of all sizes. The new administration will have to balance these competing dynamics as it lays out its agenda in the year ahead.

2.2M

The CFPB received 2.2 million consumer complaints in 2024.



05 Stablecoins will grow massively

“ But stablecoins will only find deep use cases in two things: currency hedging and cross-border payments.

ZACH PERRET, CO-FOUNDER & CEO, PLAID

Legislative and regulatory infrastructures—including a likely cryptocurrency bill in 2025—will be key to their growth.

JOHN: What you're really going to see is this consensus in Washington D.C. that we need to pull this into the embrace of some regulatory framework. Once that framework is in place, traditional financial institutions are going to start seeing a pathway to use stablecoins in back offices, balance sheets, bank-to-bank transfers, and as a replacement or alternative to Swift.

When a strength is a weakness

Part of the attraction of stablecoins is their ability to unlock faster payments. But faster payments also mean faster time to fraud or even mistakes. In fact, all of the dynamics around fraud and financial risks are exacerbated with stablecoins.

This is one of the biggest challenges that this type of cryptocurrency will need to overcome.

Why it matters

Once adopted in a meaningful way, stablecoin use will put pressure on real-time payment rails to offer instant bank payments, particularly for use in commerce.

\$2.5T

of stablecoin payments
were settled in the 12
months to May 2024.



06 The big banks become advertising platforms

Over the past year, a handful of banks and fintechs have invested in building out ad analytics and platforms.

“Launching advertising products may well be cheaper, easier, and less complex from a regulatory perspective than launching new lines of banking business.

ZACH PERRET, CO-FOUNDER & CEO, PLAID

And banks are uniquely positioned to take on this opportunity.

JEN: Advertising pays off when you show the right ad to the right user at the right time, and they find a way to engage in it. And one thing banks and fintechs have access to is a lot of data.

The need for UX

With the data and audience built-in, the challenge will lie in the execution.

“It’s historically been very hard for banks to do high-intent, high-engagement, frictionless experiences. This will be where they struggle.

REX SALISBURY, FOUNDER & GP, CAMBRIAN VENTURES

Why it matters

Regulators and government agencies tend to trust banks with customer data more than they trust fintechs. That may translate to real macro headwinds for fintechs, who will be hard-pressed to compete for the same revenue opportunities.

There’s a **perception** of a regulatory barrier here, not an actual one.



Stay ahead in 2025

2025 promises to be another year of exciting evolution for fintech. Whatever happens, Plaid is focused on helping you onboard more users, create better financial experiences, and mitigate fraud.

Watch the full [2025 Fintech Predictions conversation](#) to get even more insights.

