

Fintech-As-A-Service Market Is Projected To Expand At 16% CAGR, Targets \$175.9 Billion by 2034, Fact.MR

Growing Digitalization in BFSI Sector Pushing Fintech-as-a-Service Market to Greater heights: Fact.MR Report

ROCKVILLE, MD, UNITED STATES, May 16, 2024 /EINPresswire.com/ -- Rapid digitalization of financial operations is enabling enhanced customer experiences due to shorter processing times. This updated study by Fact.MR places the global [fintech-as-a-service \(FaaS\) market](#) at a value of US\$ 363.3 billion in 2024 and forecasts it to advance at 16% CAGR through 2034.

Increasing digitalization in the BFSI sector is an important factor driving fintech-as-a-service market growth. Digital platforms enable users to communicate with financial and other service providers via an online or mobile channel as part of their daily operations. The rise of cloud computing technology has changed fintech into a service business, providing greater operational flexibility and scalability. Cloud computing allows fintech firms to access virtualized resources and services supplied over the internet, eliminating the need for on-premises infrastructure. As a result, this element is accelerating the expansion of the fintech-as-a-service market.

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The FaaS market has witnessed a significant increase in the adoption of digital banking and payments in recent years. This trend is linked to the considerable convenience and accessibility that digital solutions provide for users. Online banking, mobile payment apps, and contactless



payments were necessary to ensure smooth financial transactions while eliminating physical interactions. This increased reliance on digital solutions during the COVID-19 pandemic boosted the demand for online transactions as the preferred option for banking and payments even after the crisis.

Key Takeaways from Market Study

The global FaaS market is projected to reach a size of US\$ 1,602.7 billion by 2034. The North American market is forecasted to expand at 16.2% CAGR through 2034. East Asia is forecasted to hold 23.1% market share by 2034.

North America is projected to account for 24.3% market share by 2034. The payment segment is forecasted to expand at 15.5% CAGR from 2024 to 2034. The East Asian market has been forecasted to expand at 16.4% CAGR through 2034.

“Expansion of the fintech-as-a-service market is driven by AI adoption, venture capital investments, and supportive government initiatives. Regulatory complexities and data security and privacy concerns need to be addressed efficiently,” says a Fact.MR analyst.

Key players in the fintech-as-a-service industry are PayPal Holdings Inc., Block Inc., Mastercard Incorporated, Envestnet Inc., Braintree, Upstart Holdings Inc., Solid Financial Technologies Inc., and Railsbank Technology Ltd.

Market Competition

Leading fintech-as-a-service solution providers are PayPal Holdings Inc., Block Inc., Mastercard Incorporated, Envestnet Inc., and Braintree.

In 2023, Rapyd and Belvo formed a strategic alliance. This collaboration combines Rapyd's extensive international payment infrastructure with Belvo's extensive knowledge and expertise in Open Banking, resulting in a powerful synergy that creates new business prospects throughout the region.

In 2023, Block launched Tap To Pay for Android. The Tap To Pay feature allows sellers to accept payments straight from their phones, eliminating the need for additional hardware.

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Competitive Landscape

In 2023, Fiserv and Equifax announced their alliance. Fiserv and Equifax jointly launch commercial products that use new analytics to improve corporate authentication, accelerate

account acquisition, and improve risk assessment.

In 2023, Mastercard bought Baffin Bay Networks. This strategic acquisition helps Mastercard to improve its capabilities to assist businesses in dealing with the ever-changing threat landscape of cyberattacks.

Overcoming Hurdles: Navigating Regulatory, Cybersecurity, and Trust Challenges in the Fintech Landscape

Navigating through complex laws and regulations across different countries and regions within the same country poses a significant regulatory challenge for fintech companies. Moreover, cybersecurity concerns loom large as financial services remain a prime target for hackers, with data breaches carrying severe consequences. Integrating new fintech solutions with existing systems presents technological integration issues, often proving complex and time-consuming.

Another obstacle to growth is the lack of consumer trust in new and unproven fintech companies, slowing adoption rates. Additionally, the high cost of innovation and the risk of failure can deter some companies from fully embracing fintech solutions. Amidst the increasing digitalization of financial services, consumer worries about security and privacy persist.

Insights by country:

In the United States, trends in the Fintech-as-a-service market encompass the swift digitalization of financial services and the transition towards online and mobile banking. The expansion of e-commerce platforms and the demand for smooth, unified payment solutions have also fueled market growth. Additionally, the favorable regulatory landscape in the United States and technological advancements like blockchain and artificial intelligence are greatly benefiting market participants. However, challenges related to data security and privacy remain significant hurdles that solution providers are actively addressing.

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[Product Engineering Services Market](#): In 2023, the global product engineering services market is valued at US\$ 1,200 billion and is forecasted to reach US\$ 2,400 billion by 2033-end. Global demand for product engineering services is predicted to increase at a CAGR of 7.2% from 2023 to 2033.

[Passenger Service System Market](#): The global passenger service system market is expected to grow at an astonishing CAGR of over 9.4% between 2022 and 2032, expected to be valued at US\$ 21.9 Billion.

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