2026 Fintech Industry Predictions

2026 is set to be a pivotal year for fintech. After years of uncertainty, the industry is showing signs of clarity and confidence from regulators, consumers, and business partners. Regulatory frameworks have strengthened, markets have stabilized, and bold ideas are moving from pilot programs into full-scale execution. These milestones represent a turning point.

The convergence of tokenization and artificial intelligence (AI) in fintech is reshaping money, trust, and access across borders and asset classes. In the coming year, digital assets and AI will open possibilities that once seemed out of reach, creating new opportunities for consumers, businesses, and the innovators driving change.

Here are BDO's **seven industry predictions for fintech** in 2026. ▶

1 2 3 4 5 6 7

Stablecoin Regulation Prompts Critical Infrastructure Investments

Enacted in July 2025, the GENIUS Act is the first comprehensive regulatory framework for stablecoins and permitted payment stablecoin issuers (PPSI). The law requires federal or state regulatory supervision and 100% reserve banking with liquid assets, such as U.S. Dollars or treasuries. PPSIs must also implement anti-money laundering (AML) programs as traditional financial institutions have been required to do for decades, necessitating substantial investments in regulatory compliance programs and technology.

The rise of stablecoins allows consumers to move money internationally with the same speed and simplicity as domestic transactions, lifting borders that previously inhibited monetary flexibility. Cross-border payments that once took days and incurred significant fees can now happen instantaneously at a fraction of the cost.

But while consumers are riding the stablecoin wave, B2B banking faces significant barriers to entry which will likely persist into 2026. Regulatory fragmentation, including disparate global systems with different AML and Know Your Customer (KYC) requirements across jurisdictions create friction that stablecoins alone cannot solve. They must also navigate the increased risk associated with stablecoin usage for money laundering and economic sanctions evasions.

To capitalize on stablecoins in the next 12 months, fintechs will need to make critical infrastructure decisions, including whether to partner with established players or develop proprietary technology in-house. Mature financial institutions investing in the technology and infrastructure to process crypto transactions signals the complexity and capital requirements to cross borders and enter a new frontier of mass adoption.

Since the GENIUS Act's passage, stablecoin transaction volumes have surged to **$10 billion** as of August 2025, up from **$6 billion** in February.

Agentic AI will Transform Payments for Both Businesses and Consumers

Early use cases of AI are no longer enough to move the needle in financial services and many fintechs are now laying the groundwork for advanced AI use in 2026. Agentic AI differs from traditional automation because it can plan, reason, and take multi-step actions without explicit step-by-step instructions, as long as guardrails are set. With boards and investors seeking tangible results, AI's true value is defined by measurable capital impact such as cash unlocked and revenue leakage prevented rather than abstract productivity gains. For leaders under pressure to show ROI, agentic AI must deliver financial outcomes that appear in the ledger, not just productivity reports.

Recognizing the need to innovate, fintechs are integrating payment tools directly into AI chatbots to initiate simple transactions on command, provide payment assistance, and detect fraud. Looking ahead, we expect fintechs will work toward integrating agentic AI in e-commerce to not only optimize these real-time requests, but also better anticipate customers' needs — reshaping when, where, and how payments are made.

In 2026, fintechs will likely deploy AI agents to plan and execute online transactions end-to-end, from discovery to checkout, with little human intervention. They may also monitor subscription renewal risk, identify upcoming bill payments across accounts, or negotiate small incentives for customers to complete a pending transaction.

These developments would slash operational costs while creating entirely new revenue streams for fintech companies. Expect to see many fintech players enter this segment via new partnerships with open AI platforms. To reach this level of autonomy, fintechs will need clean API layers, unified payment metadata, and explainable decision logs so that agent activity can be audited. Fintechs will also need to guard against misaligned agent behavior, including unintended transactions or over-optimization that creates downstream risk. Clear authority levels and human approval points will ultimately be essential.

Fintechs will Bolster Cybersecurity to Gain a Competitive Advantage

As fintechs evolve their services and offerings with agentic AI and digital currencies, they will also need to address the increased cybersecurity risks associated with these innovations.

In 2026, we expect to see a continued rise in AI-powered cyberattacks as threat actors use autonomous AI agents to bypass authentication controls and manipulate transaction flows. AI-enabled threats will also heighten risks for blockchain systems, making digital currencies more vulnerable to privacy breaches and consensus protocol threats.

As more firms integrate third-party AI models and open platforms, vulnerabilities in shared code and APIs will also become prime targets for attackers. Additionally, traditional authentication methods will struggle against AI-driven impersonation and deepfake attacks that exploit biometric and behavioral data.

To stay resilient, fintechs will need to invest in adaptive, multi-factor authentication and decentralized identity solutions.

But rather than treating cybersecurity as a mere requirement, we expect fintechs to leverage advanced cybersecurity capabilities to deepen consumer and institutional trust, and ultimately, gain competitive advantages. For example, fintech leaders may deploy AI agents to police human and AI agent threat actors in real time, continuously monitoring payment activity and automatically blocking suspicious transactions before they occur. Measures like these would give clients confidence and likely inform future purchasing or partnership decisions with forward-thinking fintechs.

33%

Financial services ranks as the most targeted industry for [AI-powered cyberattacks]() in 2025, experiencing 33% of all AI-driven incidents.

Predictions Market will Reshape How Fintech Approaches Investment and Risk

The predictions market has captured significant attention from both institutional and retail investors, with platforms reporting billions in trading volume in 2025. Recent legislative victories from the Commodity Futures Trading Commission (CFTC) as well as the prediction market's growing track record of relying on the general public to accurately predict political, economic, and social events, have further legitimized the space and assuaged skepticism.

This momentum is expected to continue in 2026 and trigger a broader industry shift in how investors make payments and approach risk. As investors increasingly use these tools as derivative instruments amid challenging macroeconomic conditions, fintech companies will be well positioned to capitalize on this growing user base by providing the infrastructure, payment rails, and risk management solutions that enable seamless transactions.

In the year ahead, we also expect fintechs will increasingly leverage prediction markets as forecasting tools based on aggregated market data: tapping into real-time insights from investor activity to inform decisions surrounding product offerings, pricing models, and risk assessments.

This trend is also likely to emerge in partnership opportunities. By partnering with prediction markets, fintechs can drive user acquisition while gathering valuable behavioral data that enhances customer insights.

Digital Currency Companies will Continue to be the Focus of IPOs and Deals

The regulatory clarity provided by frameworks like the GENIUS Act has removed significant uncertainty around digital currencies that previously kept investors on the sidelines. Combined with lower interest rates making capital more accessible and the exit dam finally showing signs of breaking, conditions in 2026 will be conducive to a dealmaking surge.

In 2026, particularly in Q1 and Q2, we expect an uptick in IPOs and mergers and acquisitions (M&As) between traditional financial institutions and crypto companies to expand offerings and customer reach.

For digital currency companies that have matured beyond the startup stage, going public allows early investors to realize returns while raising capital for expansion without sacrificing control to an acquirer. M&A deals, on the other hand, will function as strategic partnerships: Banks gain access to crypto platforms' innovative technology and younger, digitally-native customer segments, while crypto companies can tap into banks' infrastructure, regulatory expertise, and operational scale.

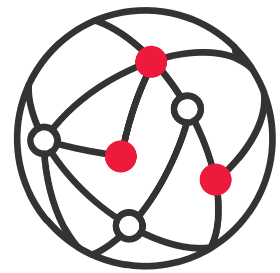
The symbiosis between traditional banking and crypto will define the M&A landscape in the next 12 months, creating value for both parties while advancing the broader adoption of digital currencies.

Tokenized Assets will Continue to Gain Market Interest, but Barriers to Widespread Adoption Remain

The trend toward tokenization will continue across various asset classes, including real estate, commodities, agriculture, and other financial securities such as private equity funds. In real estate, for example, retail investors can purchase shares of multi-million-dollar properties for as little as $1,000, fractionalizing ownership of an otherwise unattainable asset class. Fintechs are also tokenizing other high-value assets, like art and homes, so investors who could not previously afford them can now access ownership for a fraction of the cost. These developments are fundamentally changing the construct of ownership while also upending traditional legal and regulatory structures.

But for tokenized assets to become mainstream, regulatory clarity is imperative. As these assets function more as smart contracts granting rights to ownership to underlying assets, the looming question for fintechs is: "If I create this tokenized asset, what, if any existing regulatory frameworks will apply?"

Beyond overcoming regulatory hurdles, bringing tokenized assets into reality will require mainstream adoption to help reduce public skepticism and build trust at scale. With many traditional banks introducing tokenization in 2025, we expect fintechs will increasingly prioritize institutional endorsements in 2026. These partnerships will not only enable fintechs to launch digital currencies in compliant infrastructure but also help solidify public trust.



Analysts estimate that **more than $30 billion of assets** are tokenized globally.

Sponsor Banks will put Fintech AML Controls under the Microscope

While the industry expects 2026 to be ripe for M&A activity, sponsor banks will likely be more demanding of their fintech partners, particularly as it relates to their anti-money laundering (AML) controls.

Previously, banks showed a higher risk tolerance toward their fintech partners, taking a less risk-sensitive approach to compliance oversight. Now, however, sponsor banks are demonstrating increased scrutiny over their fintech partnerships. To minimize risk exposure, sponsor banks are giving fintechs detailed specifications about the AML and economic-sanctions compliance controls and procedures they must have in place in order to move forward with an M&A deal or partnership. Sponsor banks may also subject fintechs to independent audits.

In the year ahead, fintechs should expect sponsor banks to require real-time AML transaction monitoring and sanctions screening systems, specific KYC and customer due diligence controls, and annual independent compliance program audits before any deal can close.

To attract deals, fintechs will need to invest more heavily in AML infrastructure and demonstrate the strength of these compliance programs, even if not explicitly required by law or regulation. Fintechs will also need to create defined, robust AML compliance programs, complete with documented policies, monitoring systems, and audit trails.

This shift will signal a new era, where sponsor banks proactively seek to de-risk their portfolios.

As regulatory scrutiny intensifies and reputational concerns mount, banks are no longer willing to assume all of the compliance burdens on behalf of their fintech partners. Instead, they are pushing accountability downstream, requiring fintechs to prove they can manage risk independently before executing a deal.

Interested in learning more about how BDO can help your business prepare for these changes in 2026?

Contact us to get started. ▶

Are You Ready for the Year Ahead?

Even the most diligent organizations can't predict every shift in industry and market trends. The key to success lies in building resilience and agility, enabling your business to adapt to unexpected changes with confidence. Explore our curated resources to learn how strategic resilience can position you for a successful year.

An Agile Framework for Navigating Economic Shifts

Read now. ▶

Activate Resilience in Your Organization

Read now. ▶

How AI Drives Strategic Resilience and Business ROI

Read now. ▶

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