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ACI Worldwide®

The logo for ACI Connetic, featuring the letters 'ACI' in a bold, sans-serif font, followed by the word 'Connetic' in a lighter, sans-serif font. A registered trademark symbol (®) is located at the end of the word 'Connetic'.

ACI Connetic®

Redefining the payments hub: How new technology and capabilities are solving the payment challenges of today's banks

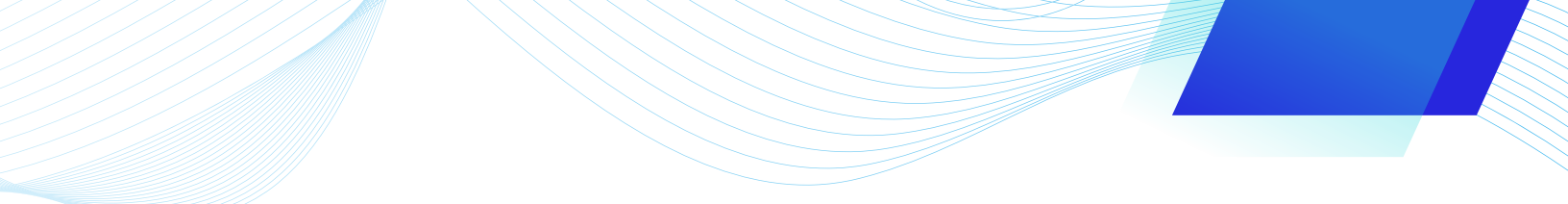


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Introduction

This is not simply an upgrade of older systems; it is a fundamental rethinking of how payments should be processed, monitored, and delivered in a digital-first world.

For decades, financial institutions have chased the elusive promise of the payments hub—an integrated platform that could streamline operations, simplify technology landscapes, and enable future innovation. Yet, the reality has consistently fallen short. Fragmented infrastructures, siloed payment systems, and rigid legacy technologies have prevented most banks from fully realizing the benefits of consolidation.

Meanwhile, the market around them has evolved at breathtaking speed. Customer expectations for seamless, instant, and invisible payments have soared. New entrants and fintech disruptors have introduced products that challenge traditional models. Regulations have grown more complex. Yet, many banks remain constrained by infrastructure designed for a vastly different era.

New technology breakthroughs like cloud-native architectures, real-time processing engines, integrated fraud prevention, and machine learning-driven digital identity make it possible to redefine the payments hub entirely. This is not simply an upgrade of older systems; it is a fundamental rethinking of how payments should be processed, monitored, and delivered in a digital-first world.

ACI Connetic® exemplifies this transformation. Built to unify account-to-account (A2A) payments, card payments, and advanced fraud and digital identity capabilities, it is designed for every bank (initially targeting Tier 2 and Tier 3 banks in the U.S. and Europe) to consolidate their payment infrastructures onto a single, scalable platform. It helps these institutions accelerate innovation, mitigate risk, reduce costs, and improve customer experiences. Most importantly, it addresses the pressing needs of the Head of Technology, the Head of the Payments Business, and the Head of Operations, who are charged with driving efficiency, growing revenue, and ensuring resilience.

Rachel Hunt

Head of Payments Hub Product Commercialization

Rachel leads Innovation and Go-to-Market for the ACI Connetic platform. Rachel brings more than 20 years of experience in the financial services technology sector, having held key go-to-market roles with banks, vendors, and independent research firms. She has demonstrated success in driving growth within the payments technology industry, strategically positioning software solutions in SaaS or cloud environments, and securing growth stage capital investment.



The need for a redefined payments hub

The structural inefficiencies of legacy payment environments have reached a tipping point. Many banks continue to run multiple distinct systems for [wire transfers](#), [ACH payments](#), [card processing](#), and now real-time schemes like [FedNow](#) service, [SEPA Instant](#), or the UK's Faster Payments. Each system comes with its own hardware, software, and operational team. This can create duplicated costs and fragmented customer experiences.

Consider a mid-sized regional bank that processes corporate [ACH transactions](#), runs a separate platform for consumer card payments, and has recently added a new engine for real-time payments. Despite best efforts, each system operates independently. As corporate clients demand integrated treasury services and consumers expect instant settlement, the bank can't bridge the gap. Every new product or service adds another bolt-on layer, increasing technical debt and eroding agility.

Legacy payment hubs, introduced in the late 1990s or early 2000s, were the first attempt to resolve this challenge. Yet, most were designed for batch processing, limited in scope, and incapable of handling the speed and complexity of today's payments landscape. Worse still, legacy payment hubs typically excluded card processing, a bank's significant revenue generator.

The convergence of technology and market demands requires a fundamental redefinition of the payments hub. Modern platforms must be capable of processing high volumes of mixed payment types in real time, ensuring compliance, enabling advanced fraud detection, and supporting rapid product innovation. Only then can banks simplify their operations, reduce cost-to-income ratios, and future-proof their business models.



Addressing the priorities of the Head of Technology

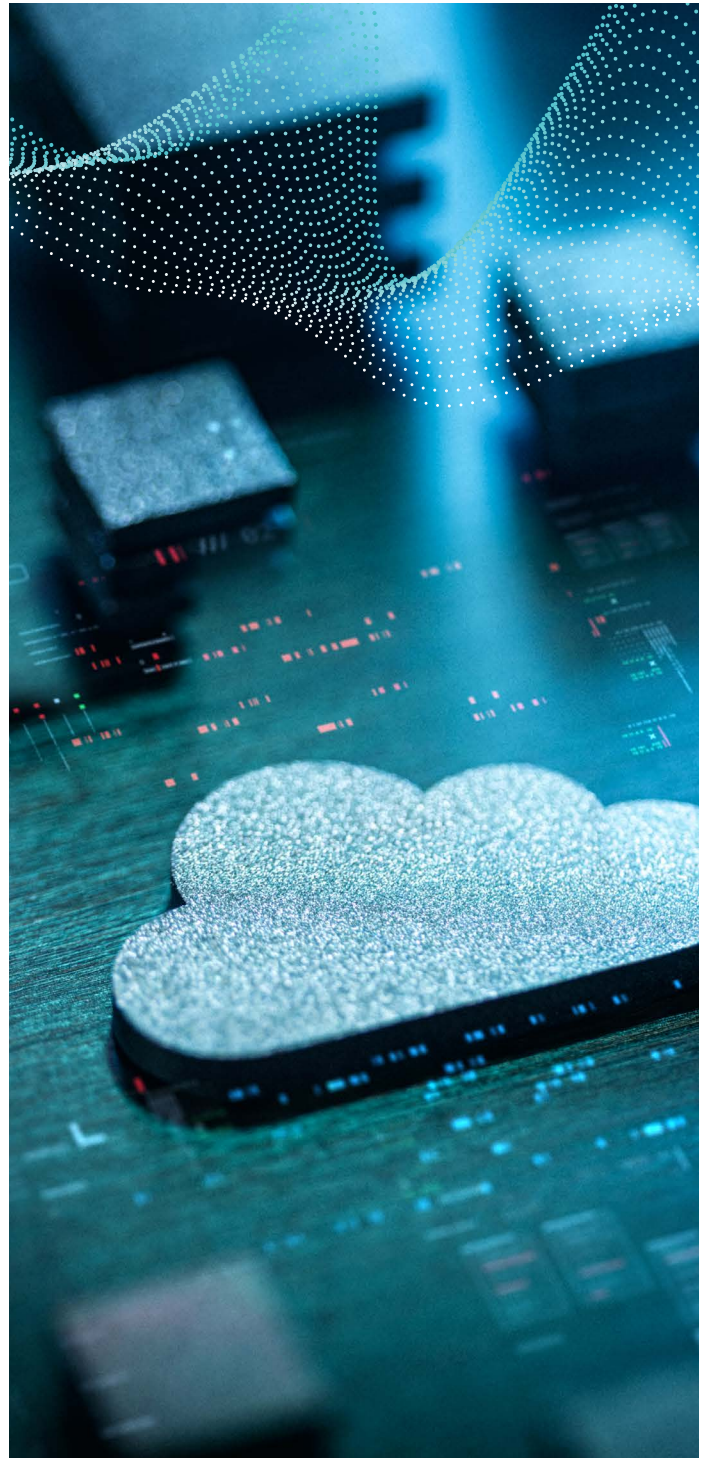
For the Head of Technology, legacy systems represent a growing liability. Maintaining outdated, mainframe-based platforms requires specialized skills that are increasingly rare and expensive. Every integration with new fintech partners, payment schemes, or digital wallets demands complex custom development, creating bottlenecks that slow the bank's ability to innovate.

A [modern, cloud-native payments hub](#) dramatically changes this dynamic. By consolidating A2A and card payments into a single platform, the technology leader can reduce the total number of systems in the stack, freeing up resources for more strategic initiatives. The elasticity of cloud deployment means the bank can handle fluctuating transaction volumes, whether driven by seasonal shopping peaks or real-time payments adoption, without expensive overprovisioning.

For example, a European bank processing millions of holiday card transactions each December previously needed to invest in costly infrastructure that sat underutilized most of the year. A redefined, cloud-native hub allows capacity to scale dynamically, reducing the total cost of ownership while maintaining performance.

Resilience and availability are also key concerns. In an age where customers expect instant, always-on banking services, traditional active-passive failover models are no longer sufficient. A modern payments hub built on active-active, consensus-driven architectures can ensure continuous operation even if a node fails, minimizing the risk of outages that have crippled banks during critical periods.

Furthermore, open API architectures make it far easier for technology leaders to integrate new services, such as [buy now pay later \(BNPL\)](#), embedded finance products, or partnerships with fintechs. Instead of months of complex work, new offerings can be added quickly, allowing the bank to keep pace with a market that increasingly values speed and adaptability.



Meeting the needs of the Head of Payments Business

The Head of Payments Business faces a delicate balancing act, driving revenue growth while containing costs and navigating an increasingly competitive landscape. Payments have shifted from a back-office function to a front-line product set—one that defines customer relationships and directly impacts profitability.

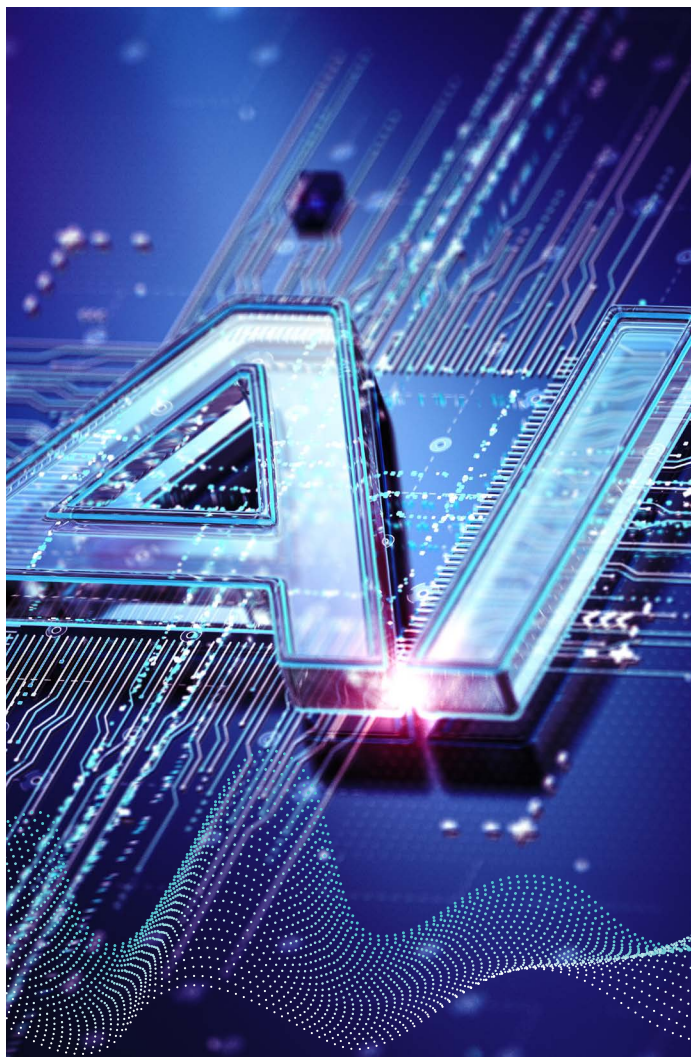
Legacy systems often complicate innovation, making it costly or impractical for business leaders. Imagine a bank that wants to offer instant settlement for card-based merchant payments and account-based transfers. In most environments, these are processed by separate systems with different rules, schedules, and risk controls. Designing a coherent product that spans both becomes a logistical nightmare.

A redefined payments hub breaks down these barriers. Supporting all payment types on a single platform, it enables the business to launch products that integrate card and A2A payments seamlessly. This capability is vital in emerging use cases like Request-to-Pay or integrated cash flow management tools for small and medium enterprises, where payments must move instantly, securely, and flexibly across rails.

Equally important is the ability to harness payments data. Fragmented systems create fragmented data, limiting the bank's ability to generate actionable insights or tailor customer experiences. A unified hub brings data from cards, wires, ACH, and real-time payments into one view. This allows business leaders to identify patterns, develop predictive models, and create new revenue streams based on customer behavior.

Imagine a situation where a bank observes that its corporate clients frequently exceed their card transaction limits while underutilizing more efficient account-based payment options. With a unified view, the payments business can proactively offer customized solutions, such as virtual card programs or dynamic limit adjustments, strengthening client relationships, and increasing revenue.

Fraud management is another area where integration delivers significant value. Criminals increasingly exploit gaps between systems, **launching attacks** that move across card and ACH channels to avoid detection. A modern payments hub enables real-time, cross-rail fraud detection, using machine learning models that assess transaction behaviors holistically. This reduces fraud losses and protects the bank's reputation in a highly competitive environment where trust is paramount.



Solving the operational challenges for the Head of Operations

The complexity of managing multiple payment systems translates into daily friction for the Head of Operations. Each payments engine has unique operational processes, [reconciliation requirements](#), and potential failure points. This fragmentation can lead to delays, errors, and regulatory breaches, impacting customer trust, and resulting in financial penalties.

Reconciliation is a persistent pain point. At many banks, teams manually reconcile card settlements, ACH batches, and wire transfers, often working late into the night to meet reporting deadlines. Errors are costly and can erode confidence among large corporate clients who expect flawless execution.

A redefined payments hub eliminates many challenges by processing all payment types through a single system with unified reconciliation and exception management tools. This reduces the need for manual intervention, improves accuracy, and frees operational teams to focus on higher-value activities.

Moreover, the move to real-time payments and 24/7 banking means operational resilience is more critical than ever. Batch windows, once used to cover up inefficiencies or delays, are disappearing. A modern payments hub designed for continuous processing ensures that the bank can handle any transaction, at any time, whether it's a late-night eCommerce purchase or a real-time wage disbursement.

Compliance is another area where operations struggle under the weight of fragmented systems. Regulations like [PSD2](#), open banking mandates, and increasingly aggressive financial crime controls require timely and detailed reporting. Managing this across multiple platforms increases complexity and risk. A consolidated hub simplifies compliance by centralizing control and providing end-to-end visibility into every transaction, making audits faster and less disruptive.



Expanding the business case: Strategic agility and future readiness

Beyond immediate operational savings and efficiency gains, a modern payments hub positions the bank for long-term strategic advantage. The rise of embedded finance, where non-bank entities integrate banking services directly into their offerings, is already reshaping the industry. To participate in this market, banks need flexible, API-driven platforms capable of delivering services wherever customers are, not just through traditional channels.

For example, a regional bank might partner with a local marketplace to offer instant merchant settlement embedded directly into the marketplace's platform. A flexible payments hub can reduce integration time from years to months and lower costs significantly, enabling new revenue streams and customer relationships.

Additionally, as new technologies like central bank digital currencies and tokenized assets emerge, banks with outdated systems will struggle to adapt. A redefined payments hub, built with extensibility, allows banks to plug in new capabilities as the market evolves, ensuring they remain relevant and competitive.

Conclusion

The payments industry stands at an inflection point. The patchwork of legacy systems and outdated hubs can no longer support the demands of a real-time, data-driven, customer-centric world. The risks, financial, operational, and reputational, are growing. But so, too, are the opportunities for banks that embrace change.

A **truly redefined payments hub** that unifies A2A payments, card processing, **fraud prevention**, and **digital identity** delivers benefits across the enterprise. It simplifies technology landscapes, reduces costs, improves resilience, and unlocks new revenue opportunities. Most importantly, it positions the bank to innovate, compete, and thrive in a payments market that will continue to evolve at speed.

ACI Connetic is designed with this challenge at its core, offering a modern, scalable platform that meets the distinct needs of technology, business, and operations leaders. For banks ready to redefine their payments strategy and seize the future, **the time to act is now**.

DRIVE INNOVATION

Transform your payment processing with ACI Connetic's innovative solutions, designed to overcome legacy system challenges and thrive in a digital-first world.

Explore

ACI Connetic[®]



ACI Worldwide, an original innovator in global payments technology, delivers transformative software solutions that power intelligent payments orchestration in real time so banks, billers, and merchants can drive growth, while continuously modernizing their payment infrastructures, simply and securely. With 50 years of trusted payments expertise, we combine our global footprint with a local presence to offer enhanced payment experiences to stay ahead of constantly changing payment challenges and opportunities.

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