



From Point Solutions to Trust Platforms: How M&A Is Reshaping Fraud and Digital Identity

October 2026

M&A activity in fraud and digital identity is accelerating, with providers increasingly acquiring capabilities to build broader, integrated risk and trust platforms.

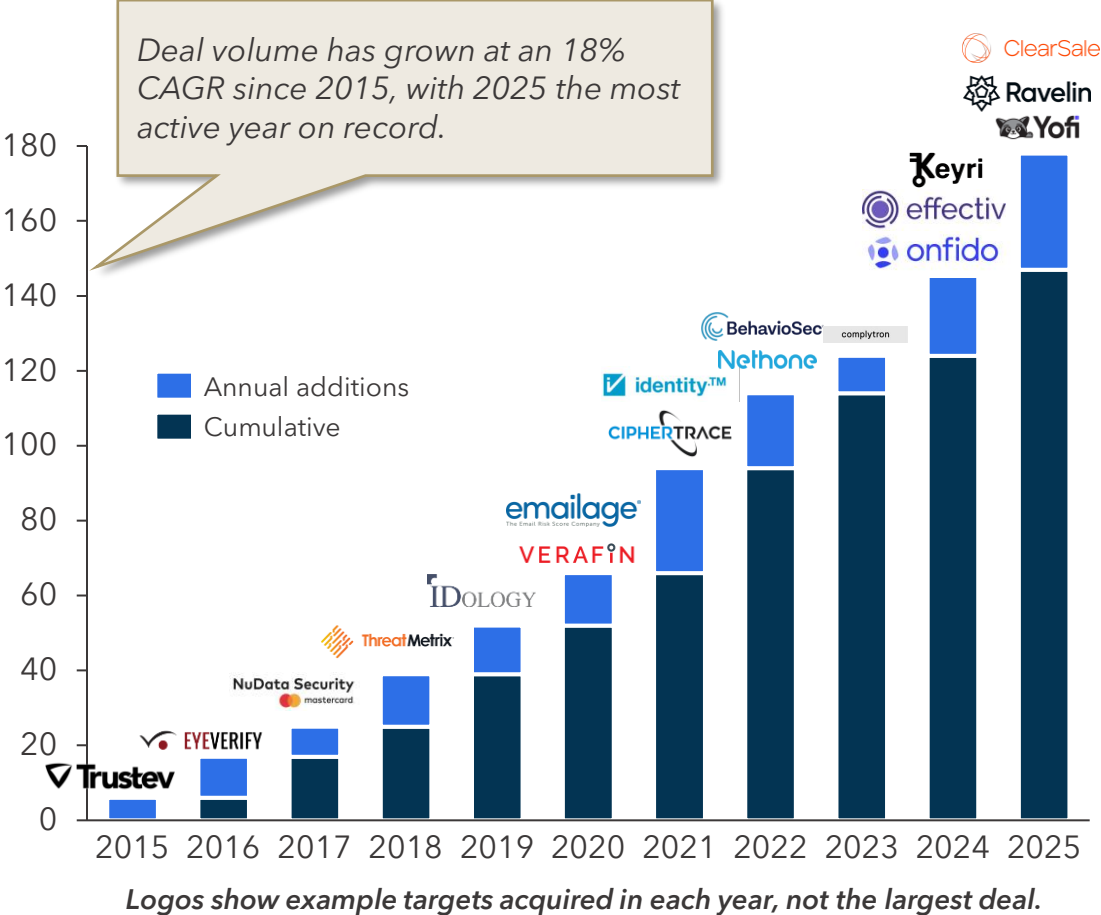
Executive Summary: Four Key M&A Trends in Fraud & Digital Identity

- **M&A activity has accelerated materially, driven by the proliferation of fraud use cases**, increasing sophistication of fraud typologies and emergence of new technologies; **deal volumes grew at ~18% CAGR between 2015-25, with 2025 the most active year on record.**
- **M&A is increasingly capability-led, with providers expanding beyond traditional point solutions to build broader platforms** spanning identity, fraud prevention, compliance, and risk decisioning across the customer lifecycle
- **Merchant fraud management is expanding beyond transaction fraud into broader digital risk, with acquisitions targeting account takeover (ATO), bot detection, identity fraud, behavioral intelligence, and digital abuse**; competition to own merchant distribution is intensifying, with PSPs/acquirers embedding fraud capabilities into their propositions
- **Issuer fraud management M&A is shifting from transaction fraud engines towards differentiated data and decisioning**, as mature fraud models drive providers to acquire upstream identity/behavioral signals, proprietary intelligence, and orchestration capabilities to improve detection and risk interventions
- **Digital identity providers are consolidating point solutions into end-to-end trust platforms**, combining document verification, biometrics, device intelligence, reusable identity, and adjacent fraud capabilities; intelligent orchestration is emerging as a critical control point for integrated risk decisioning
- **KYC/AML specialists are expanding from point-in-time onboarding to continuous lifecycle risk management**, acquiring KYB, AML screening, transaction monitoring, fraud intelligence, and orchestration capabilities to enable dynamic, risk-based customer monitoring
- **Across segments, proprietary data, differentiated risk signals, and intelligent orchestration are emerging as key M&A priorities**, enabling providers to integrate capabilities, improve decision quality, and capture a broader share of the fraud and financial-crime value chain

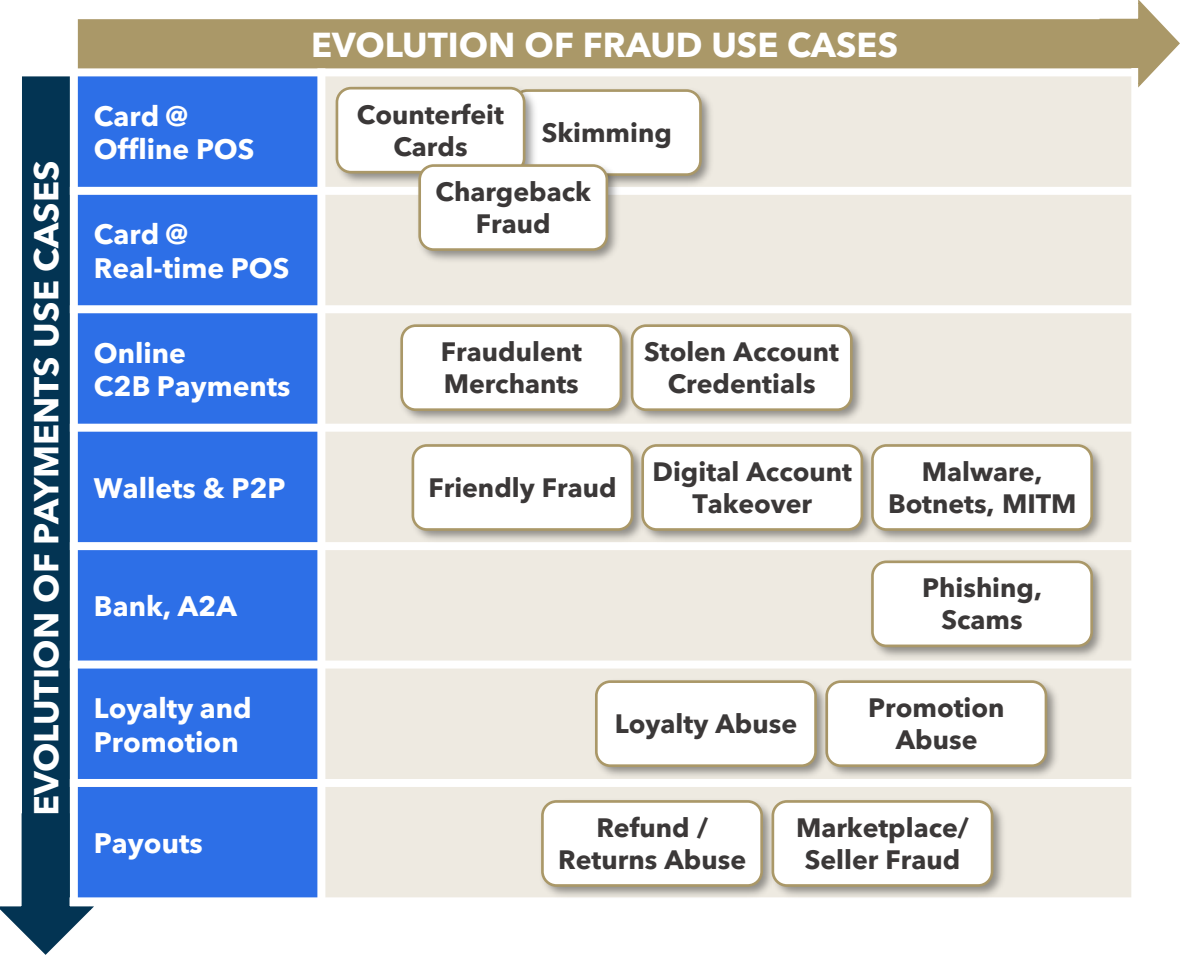


M&A activity in fraud has increased materially over the last 10 years due to the evolving nature of fraud and advancements in new technologies and fraud topologies.

Identity and Fraud M&A Deals Overview (indicative, non-exhaustive; cumulative from 2015 - 2025)



Evolution of Payment & Fraud Use Cases



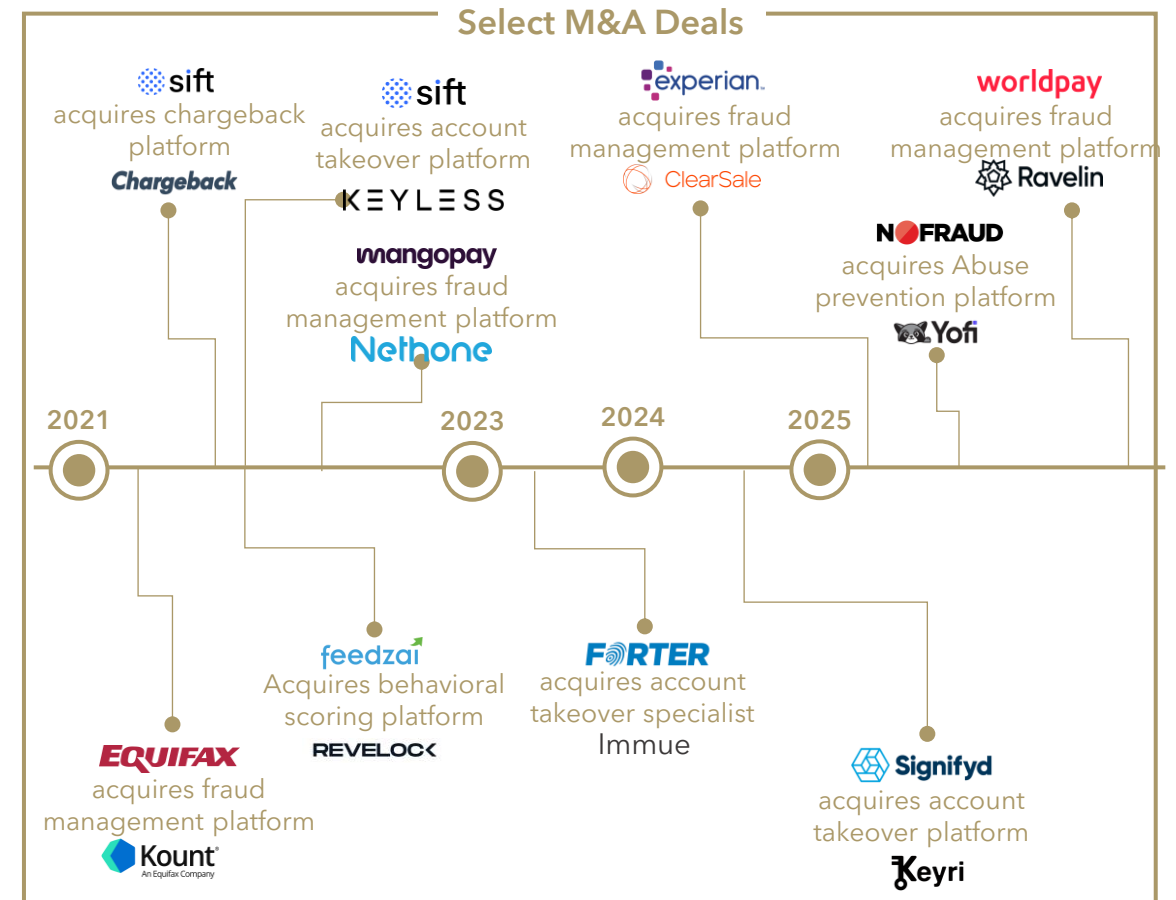
Source: Flagship analysis of commercial deal databases. n=178 announced transactions, 2015 to 2025. Indicative and non-exhaustive; small and undisclosed vendor acquisitions are under-reported, so actual volume is likely to be higher.

Merchant fraud M&A is increasingly capability-led, as providers expand beyond transaction fraud into the broader digital risk and identity stack.

Merchant Fraud Management Key M&A Themes

M&A is expanding merchant fraud beyond transaction monitoring into broader digital risk, and race towards who owns the merchant distribution.

- **Value pool shifting beyond transaction fraud** into ATO, bot detection, identity fraud, refund / promo abuse and other forms of digital abuse and scams driving vendors to acquire capabilities outside traditional payment fraud.
- **Fraud platforms are expanding upstream**, acquiring identity, behavioral and device-level signals to identify fraud activity earlier in the customer journey, **before a transaction reaches checkout**.
- **Fraud, identity and cyber capabilities are increasingly converging**, with merchant fraud vendors using M&A to add account protection, authentication and **digital-abuse capabilities as fraud increasingly moves beyond the payment transaction** itself.
- **Distribution is becoming increasingly strategic**, with PSPs and acquirers acquiring fraud capabilities to **deepen the merchant relationship and embed fraud prevention directly into their broader proposition** (e.g., Worldpay acquired Ravelin). New growth levers across ISVs, platforms as payments distribution shifts increasingly to ISVs.

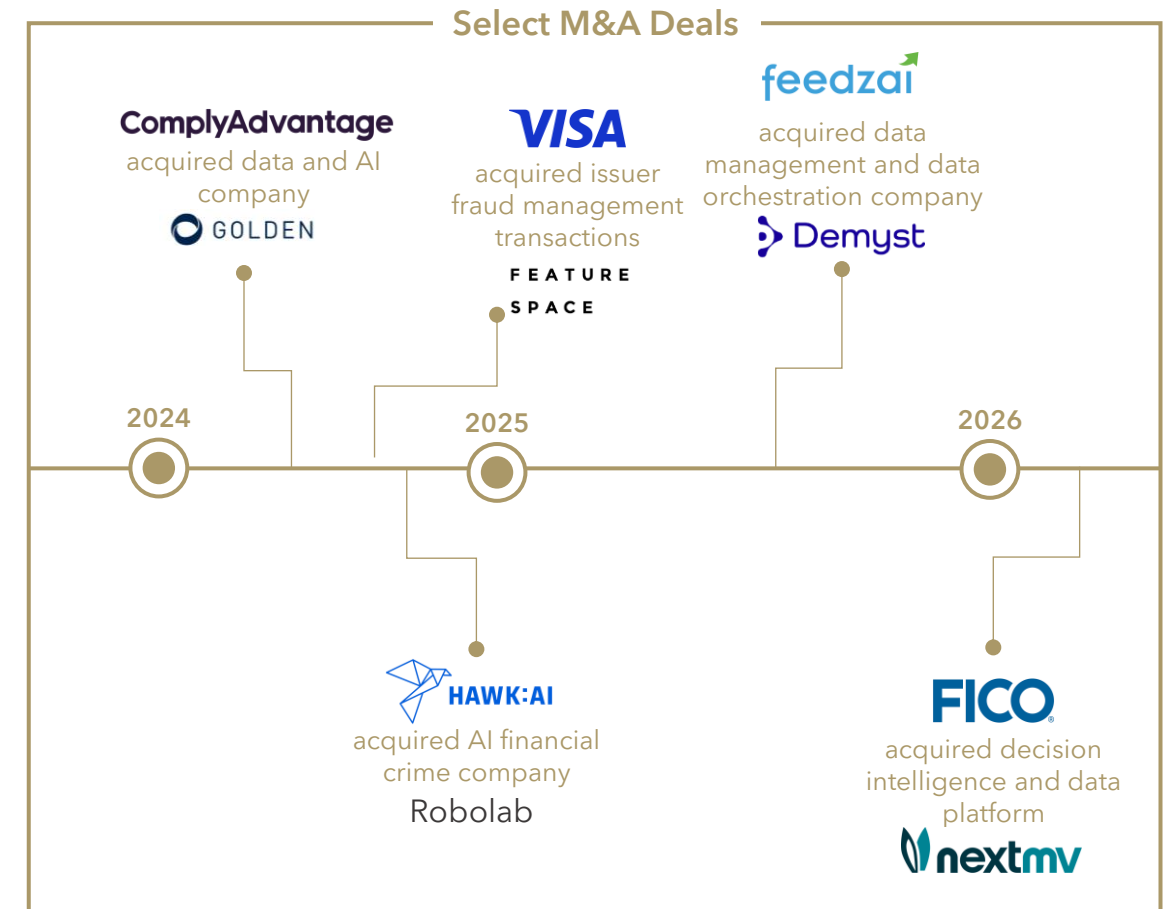


Issuer fraud M&A is shifting from acquiring new fraud engines toward better data, upstream signals and orchestration capabilities that improve how existing models make decisions.

Issuer Fraud Management Key M&A Themes

Issuer fraud M&A is increasingly focused on acquiring better signals and decision orchestration rather than simply improving mature transaction fraud models.

- **M&A is increasingly addressing improvements in decision infrastructure**, with issuer fraud vendors acquiring data, orchestration and intelligence capabilities that strengthen how existing models ingest signals, make decisions and trigger interventions.
- **Core transaction fraud models are relatively mature**, meaning incremental improvements increasingly come from acquiring new data, signals and intelligence rather than simply developing another detection model.
- **Vendors are acquiring upstream identity and behavioral signals to improve detection** of risks such as ATO and identity theft before they materialize as fraudulent payment transactions.
- **Decisioning and orchestration are becoming strategic acquisition targets**, enabling fraud platforms to combine multiple internal and external signals and dynamically determine the appropriate risk intervention.
- **Issuer fraud platforms are expanding into broader financial-crime and AI-driven decisioning capabilities**, increasingly bringing fraud, AML, data intelligence and risk orchestration together within a single platform.

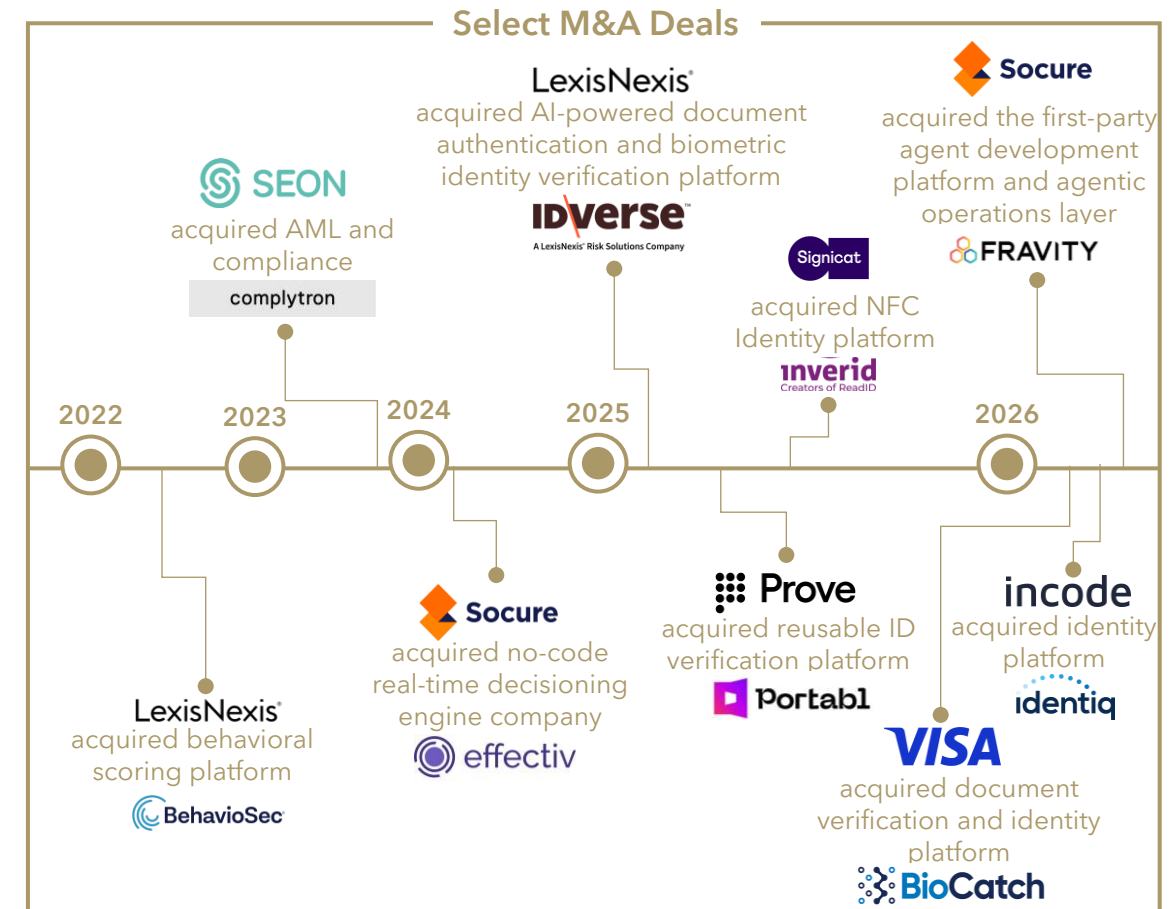


M&A is increasingly focused on building broader end-to-end trust platforms, with orchestration, and adjacent fraud capabilities becoming key strategic control points.

Identity Point Solutions Key M&A Themes

Identity specialists are being assembled into broader trust platforms, with orchestration and reusable identity emerging as key strategic control points.

- **Buyers of digital identity point solutions are looking for broader end-to-end trust platforms**, combining risk intelligence across document verification, biometrics, device intelligence, reusable identity, rather than **remaining focused on individual point solutions**.
- **Identity point solutions are broadening their capability set**, acquiring adjacent identity, fraud, and compliance capabilities to evolve into decisioning platforms, increasing their relevance across the customer lifecycle
- **Reusable identity and credential portability are emerging as strategic adjacencies**, with vendors acquiring capabilities that allow verified identities to be **reused across services and channels** rather than repeating verification for every new interaction.
- **Intelligent native orchestration is becoming a key capability**, with providers building or acquiring decisioning engines that dynamically select and combine identity, behavioral, and fraud signals into a single risk decision.
- **Two consolidation models are emerging, with point solutions** expanding into broader platforms by adding signals and decisioning capabilities, and larger identity / KYC platforms are acquiring specialist solutions to deepen their data and fraud capabilities.

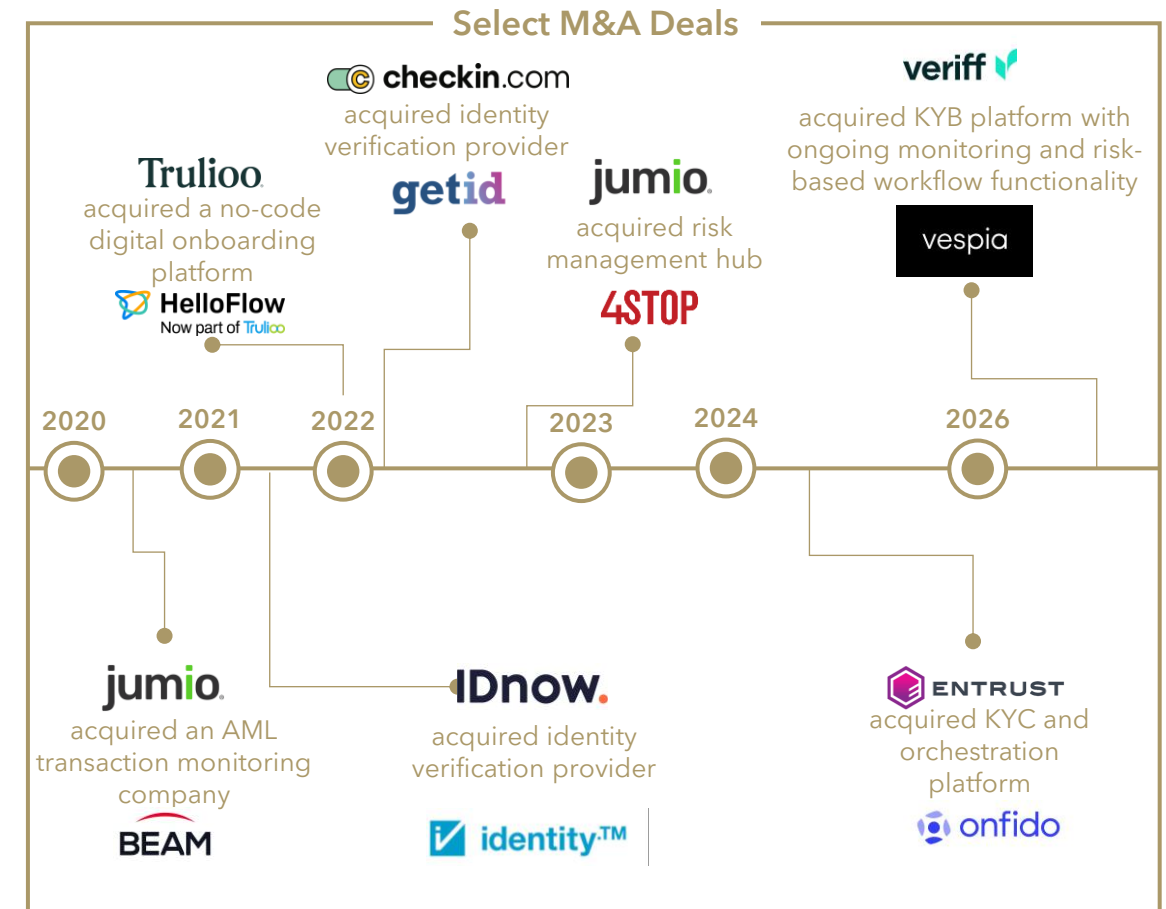


KYC / AML M&A is shifting toward broader lifecycle risk platforms, with providers adding KYB, ongoing monitoring, modular fraud signals, and decisioning capabilities.

KYC / AML Specialists Key M&A Themes

KYC/AML M&A is shifting the market from point-in-time verification toward continuous, orchestrated risk management across the customer lifecycle.

- **Providers are expanding beyond one-off onboarding checks into continuous monitoring and lifecycle risk management**, using M&A to maintain visibility over customers after the initial verification event.
- **M&A is extending the KYC proposition into adjacent capabilities, including KYB, AML screening, transaction monitoring, and fraud signals**, allowing providers to cover a broader share of the financial-crime value chain.
- **Decisioning and intelligent orchestration are becoming more important**, allowing platforms to dynamically combine identity, compliance and fraud signals and determine which checks are required for each customer or risk event.
- **Broader platforms are acquiring specialist point solutions**, adding differentiated identity, behavioral and fraud signals rather than building every capability internally.
- **Providers are increasingly acquiring data and intelligence assets to improve risk segmentation**, enabling more dynamic, risk-based onboarding and monitoring rather than applying the same level of checks to every customer.





Anupam Majumdar

Partner

Anupam@FlagshipAP.com

+31 6 836 41 158



Stanislav Dubsky

Senior Manager

Stanislav@FlagshipAP.com

+420 775 376 666

Thank You