



UNLOCKING GROWTH: How Fintech Payment Solutions Empower Small Businesses



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Note: All dollar figures are Australian dollars unless indicated otherwise.

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GLOSSARY AND DEFINITIONS

TERM	DEFINITION IN THE CONTEXT OF THIS DOCUMENT
Account-to-account (A2A) payment solutions	Payment services that allow money to be transferred directly between two bank accounts, often instantly and without using a card. Examples include Ezidebit, Ezypay, PayID, and Zepto.
Buy-Now-Pay-Later solutions	Enable customers to buy goods or services immediately and pay for them over time in instalments, often without fees if payments are made on time. Examples include Afterpay, Klarna, and Zip.
Cross-border payment solutions	Payment services that enable individuals and businesses to send and receive money internationally. They often provide better exchange rates and lower fees than traditional banks. Examples include Airwallex, Instarem, PayPal, Revolut, and Wise.
Fintech payment solution	Digital payment services provided by non-bank financial technology companies that enable businesses to accept, process, and manage payments through various channels. Examples include Smartpay, Stripe, Square, and Wise.
Fintech PSP	Fintech entrants to the payment facilitator market, generally used to describe non-bank providers of payments processing services, synonymous with Payfac, often not an acquirer themselves.
In-person payment solutions	Payment services that allow businesses to accept payments face-to-face, often using card readers or EFTPOS machines. Examples include Smartpay, Square, Tyro, and Zeller.
Issuer-Acquirer	Acquirer that also is a significant card issuer – primarily referring to the big 4 Australian banks.
Large Acquirer	Acquirer that primarily serves large merchants and Fintech PSPs with acquiring services. Examples include Cuscal and ASL
Mobile wallets	Mobile wallets are digital payment applications that securely store payment information and enable seamless in-person, online, and peer-to-peer transactions. Examples include Apple Pay, Google Pay, and Samsung Pay.
Online payment solutions	Digital services that enable businesses to accept payments over the internet using credit cards, debit cards, or other electronic methods. Examples include Adyen, Mint, PayPal, Shopify, and Stripe.
Payfac	Payments Facilitator, synonymous with Fintech PSP.
PSP	Payment Service Provider who provides any payments processing services to any customer type (merchant or Payfac).

EXECUTIVE SUMMARY

OVERVIEW OF THE BENEFITS OF FINTECH PAYMENT SOLUTIONS FOR SMALL BUSINESSES



Strong value proposition for small and regional businesses

56% of small businesses rely solely on Fintech providers for in-person transactions, including 57% of regional small businesses



Supporting growth

Nearly 30% of small businesses grew in size after adopting a Fintech payment solution¹



Increased revenue, decreased costs

Adopting Fintech payment solutions has driven ~\$9bn in net benefit for small businesses (~\$8bn in increased revenue and ~\$1bn in reduced costs)



Meeting the needs of underserved small merchants

39% of small businesses switched to Fintech payment providers because they felt underserved by the big-4 banks



Unrivalled customer satisfaction

77% of small businesses that use Fintech payment providers are satisfied, compared with 44% of small businesses that use big banks

Source: Mandala small business survey (2025; see appendix for details); ABS data; Mandala analysis.
Notes: 1. A threshold of >2.5% growth was used to determine the share of businesses that had grown in size since adopting a Fintech payment solution.

EXECUTIVE SUMMARY

Australia's transforming payment landscape

Australia's payment system has undergone a significant transformation over the past decade, driven by five key trends:

- the rapid adoption of mobile wallets
- the entry of Fintech Payment Service Providers (PSPs)
- the introduction of real-time payments through the New Payments Platform (NPP)
- the exponential growth of Buy-Now-Pay-Later (BNPL) platforms
- the entry of Fintechs for cross-border payments.

The rapid adoption of mobile wallets

Consumers' preferences for seamless, contactless payments is driving the rapid adoption of mobile wallets. As a result, mobile wallets like Apple Pay and Google Pay now account for nearly 40% of all card transactions, a significant increase from just 12% in 2020.

The entry of Fintech PSPs

Merchant demand for innovative and cost-effective payment services has facilitated the entry of Fintech PSPs into the acquiring market. The entry of Fintech PSPs has increased competition, contributing to a reduction in service fees. By adopting in-person payment solutions from Fintech PSPs,

small merchants generated approximately \$12.5 billion in net benefits in 2024. Notably, 56% of small businesses, including 57% of those in regional areas, solely rely on Fintech providers for in-person transactions.

The introduction of real-time payments through the NPP

Consumer and merchant demand for fast payments has driven the rapid adoption of the NPP in Australia, surpassing the uptake of similar systems overseas.

The NPP enables real-time, account-to-account (A2A) transactions, allowing merchants to process payments faster and at lower costs. This innovation delivered \$3.6 billion in net benefits to small merchants in 2024, with approximately 33% of merchants reporting revenue growth after adopting A2A payment solutions.

The exponential growth of BNPL

BNPL platforms have experienced exponential growth since 2017, with adoption driven largely by younger consumers, particularly Gen Z and Millennials. Nearly 39% of BNPL users cite improved budgeting as a key reason for using these services. Small merchants have capitalised on this trend, generating \$3.3 billion in net benefits through BNPL solutions, with ~84% of merchants reporting revenue growth after adoption.



56% of small businesses, including **57%** of those in regional areas, solely rely on Fintech providers for in-person transactions.

EXECUTIVE SUMMARY

The entry of Fintechs into cross-border payments

The high fees charged by traditional banks created a gap in the market, leading consumers and merchants to switch to non-bank providers for cross-border payment solutions. These providers offer significantly lower rates compared to traditional banks, enabling small merchants to generate \$3.5 billion in net benefits from cross-border payment solutions in 2024. Notably, ~43% of merchants reported revenue growth from adopting these services.

The shift to online payment solutions

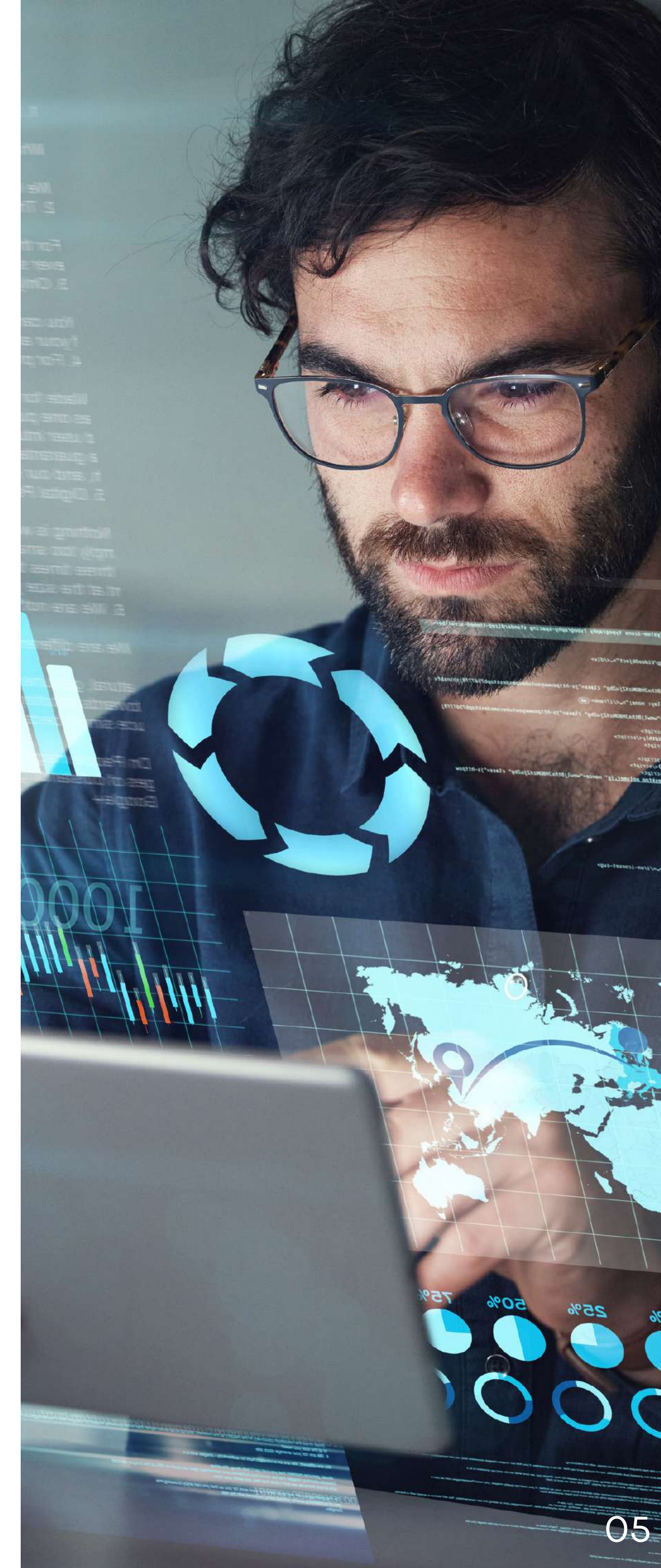
Increased online spending by consumers has made online payment solutions transformative for small merchants. In 2024, these solutions generated \$8 billion in net benefits for small merchants, with over 55% reporting increased revenue after adopting online payment systems.

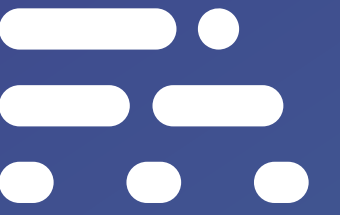
Moving beyond traditional banks

The shift away from traditional banking providers has been driven by a desire for broader services, cost efficiencies, and access to innovative payment solutions. Approximately 39% of surveyed merchants switched from a Big-4 bank to a non-bank payment provider.

Overcoming barriers to adoption

Despite these advances, some small merchants remain hesitant to adopt digital payment solutions due to concerns about security, privacy, and operational costs. Addressing these barriers is essential to achieving widespread adoption of digital payment systems. However, for those who have embraced Fintech solutions, the benefits are clear: merchants report enhanced satisfaction, cost savings, and increased revenue.



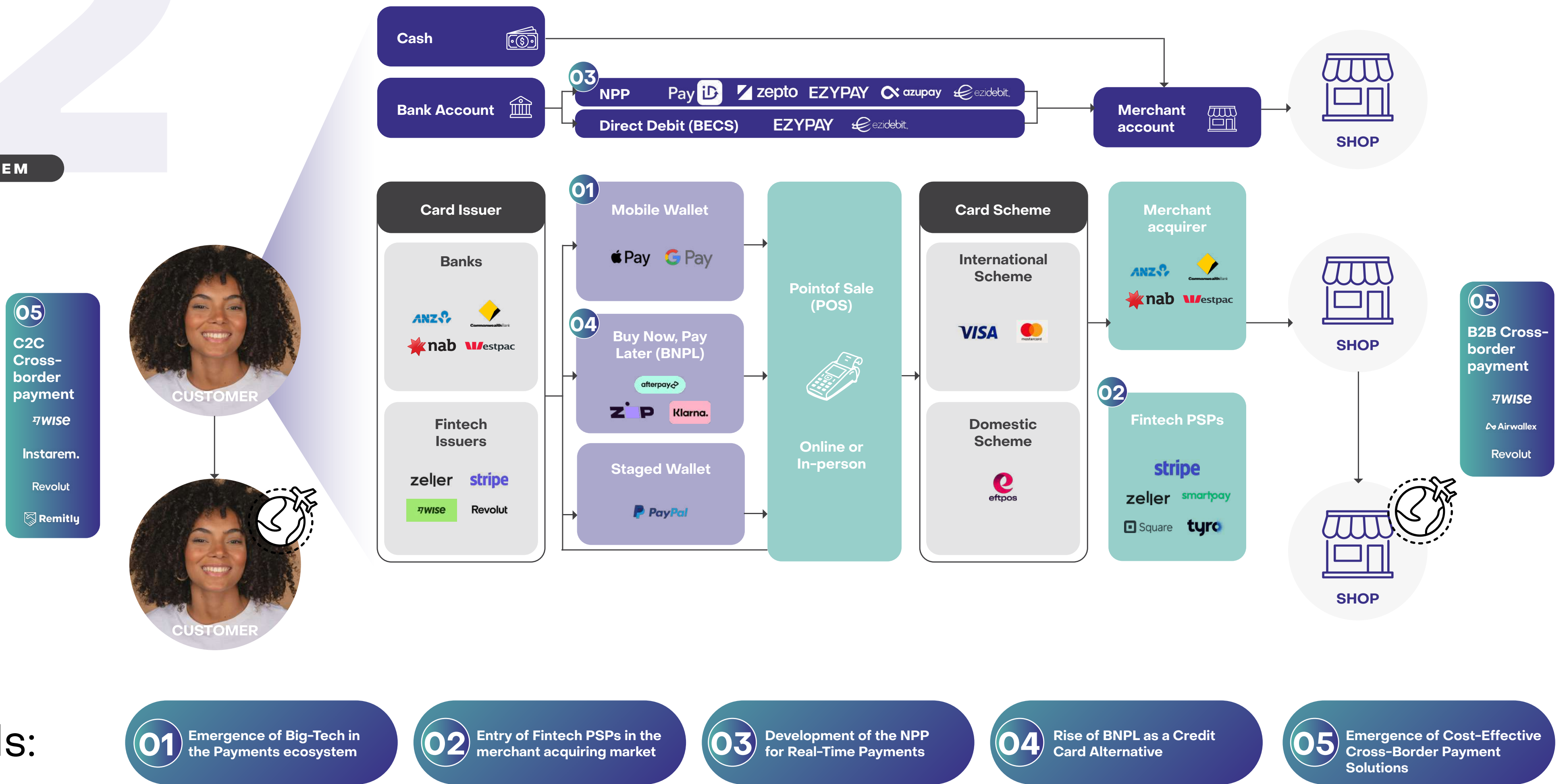


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OVERVIEW OF PAYMENTS SYSTEM

Australia's payments system has undergone a significant transformation over the past decade, driven by five key trends:



Source: RBA 2019, Australian Payments Network 2023, Deloitte 2022, Mandala analysis.
 For the purpose of this report, some companies operating in this space may not be listed, as it is not intended to be an exhaustive overview.

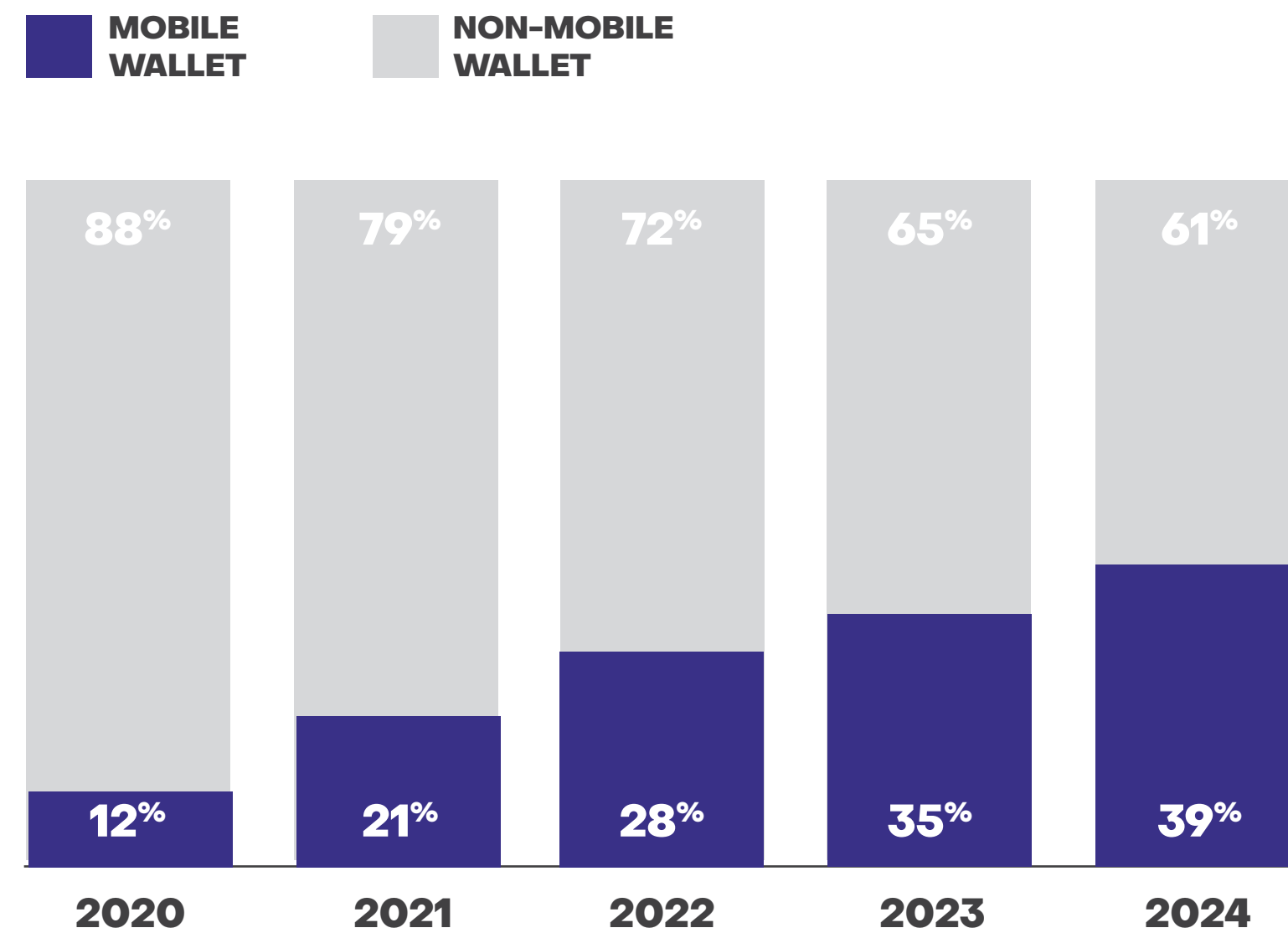
02

EMERGENCE OF BIG-TECH

Mobile wallets have rapidly gained traction in Australia, with Apple Pay and Google Pay accounting for **99% of in-store mobile wallet transactions.**

MOBILE WALLET TRANSACTIONS

% OF CARD TRANSACTIONS, 2020-2024

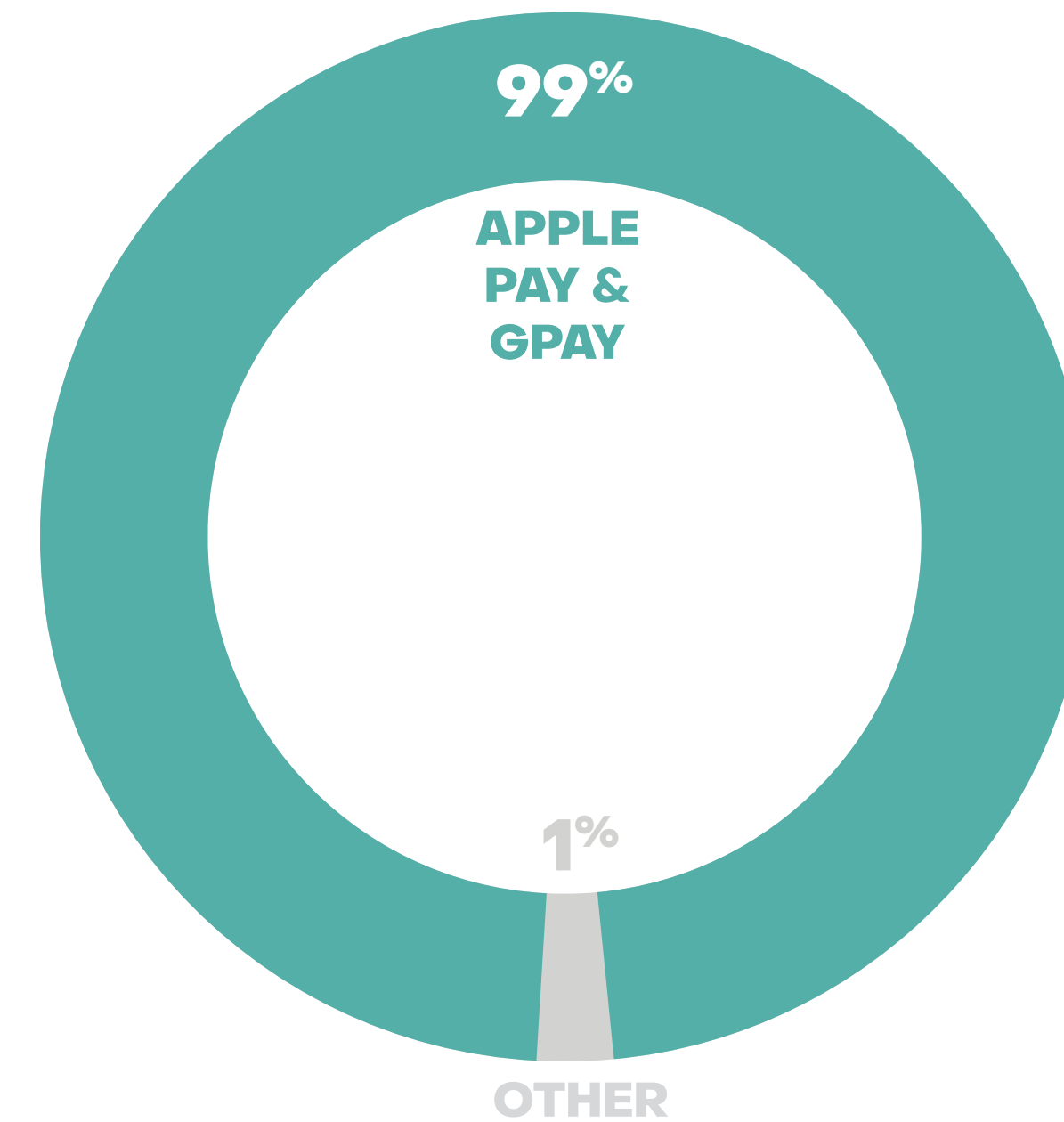


Apple Pay launched in Australia in 2015, followed by Google Pay in 2016.

Within a decade, mobile wallets account for **nearly 40%** of all card transactions.

MARKET SHARE OF IN-STORE MOBILE WALLET TRANSACTIONS

%, INSTORE TRANSACTIONS, 2021



The restriction of NFC access, a technology essential for mobile wallet payments, allows Apple Pay and Google Pay to maintain a dominant market position.

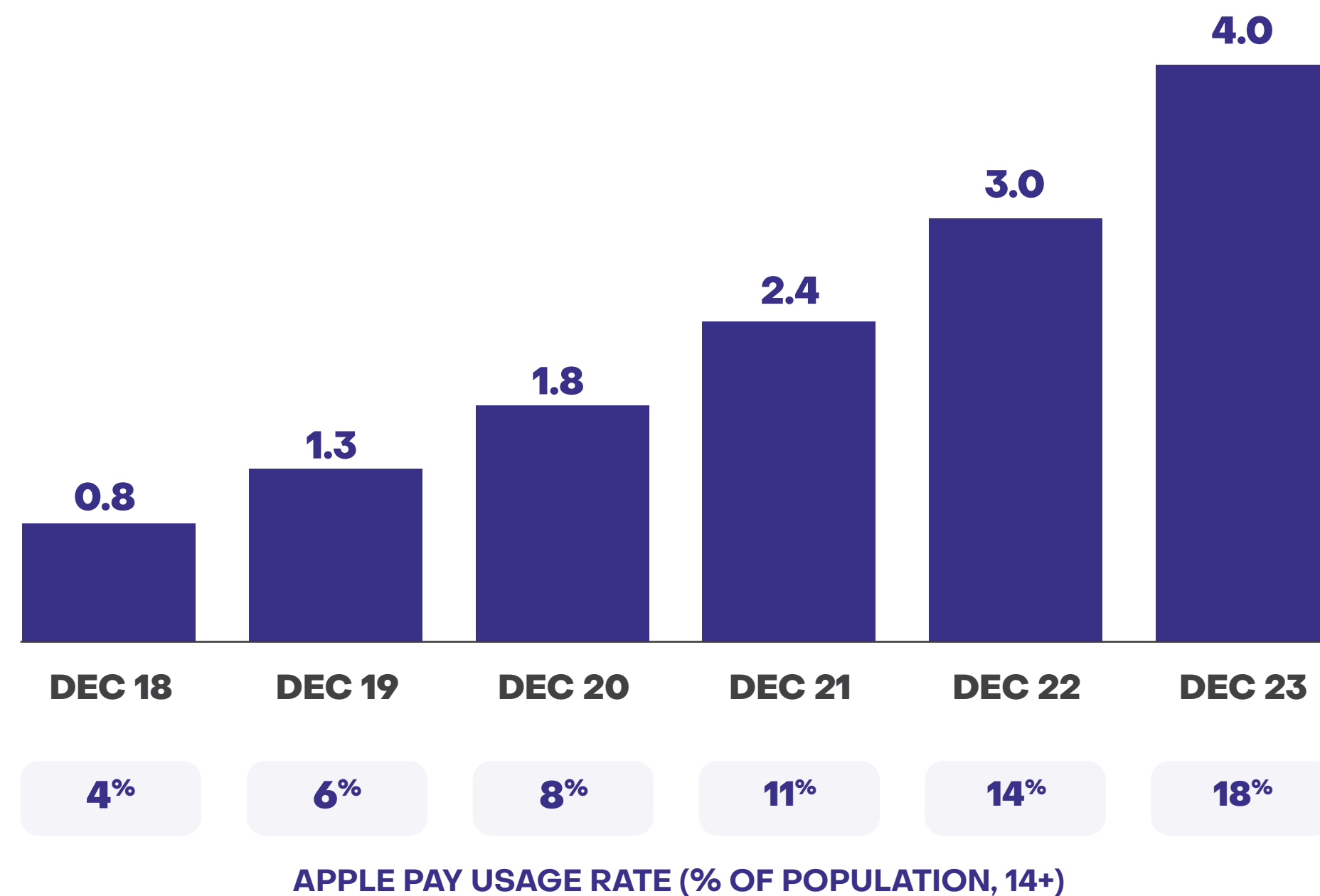
Source: APH (2021), RBA (2024); Mandala analysis

02

Approximately 4 million Australians now use Apple Pay, with Apple earning ~0.8 cents per debit card transaction and ~15 cents per credit card transaction

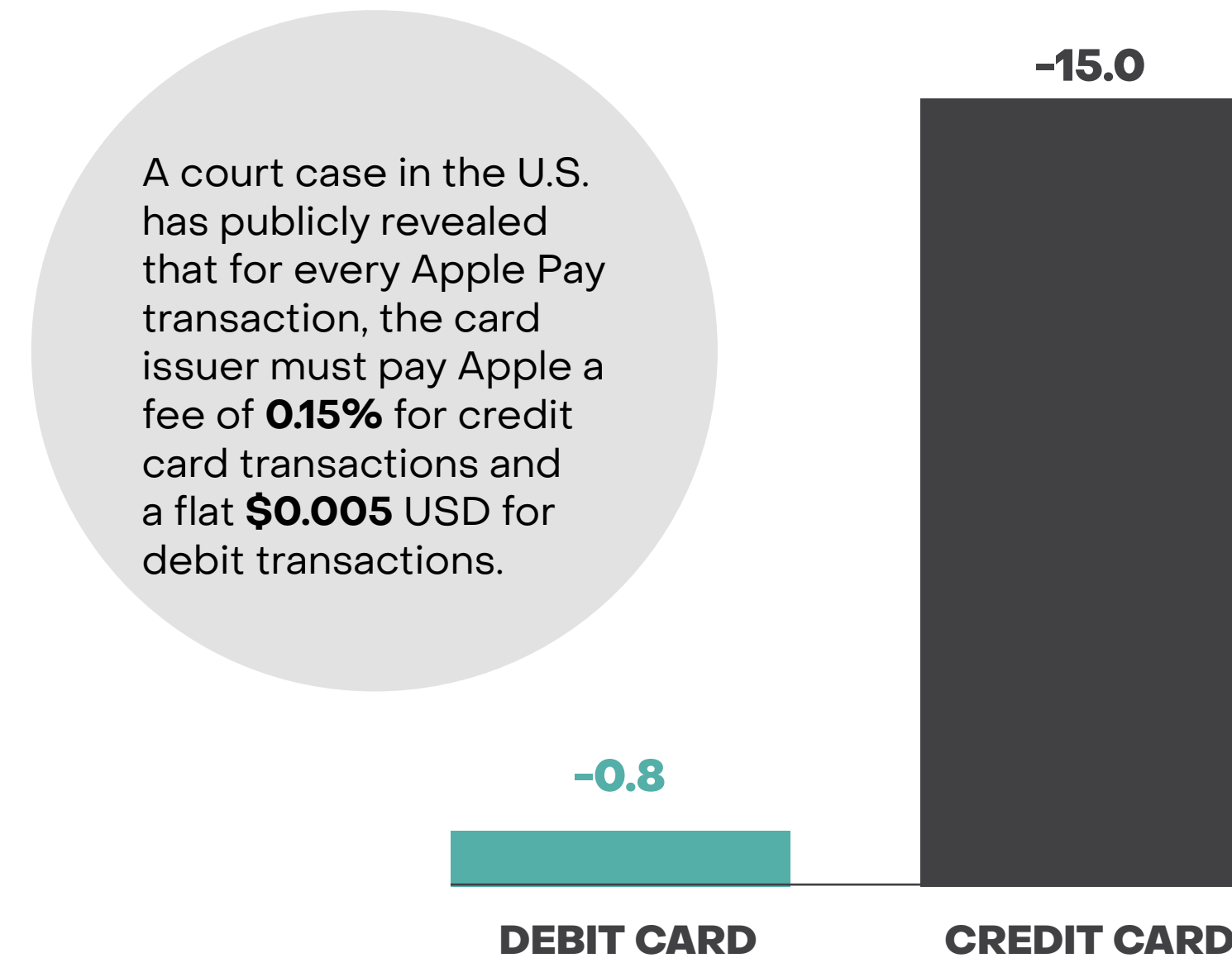
USAGE OF APPLE PAY

MILLIONS OF AUSTRALIANS (AGED 14+), DEC-18 TO DEC-23



REVENUE EARNED BY APPLE PAY PER TRANSACTION

AUD CENTS, HYPOTHETICAL \$100 TRANSACTION



Source: AFR (2022), Roy Morgan (2024); Mandala analysis

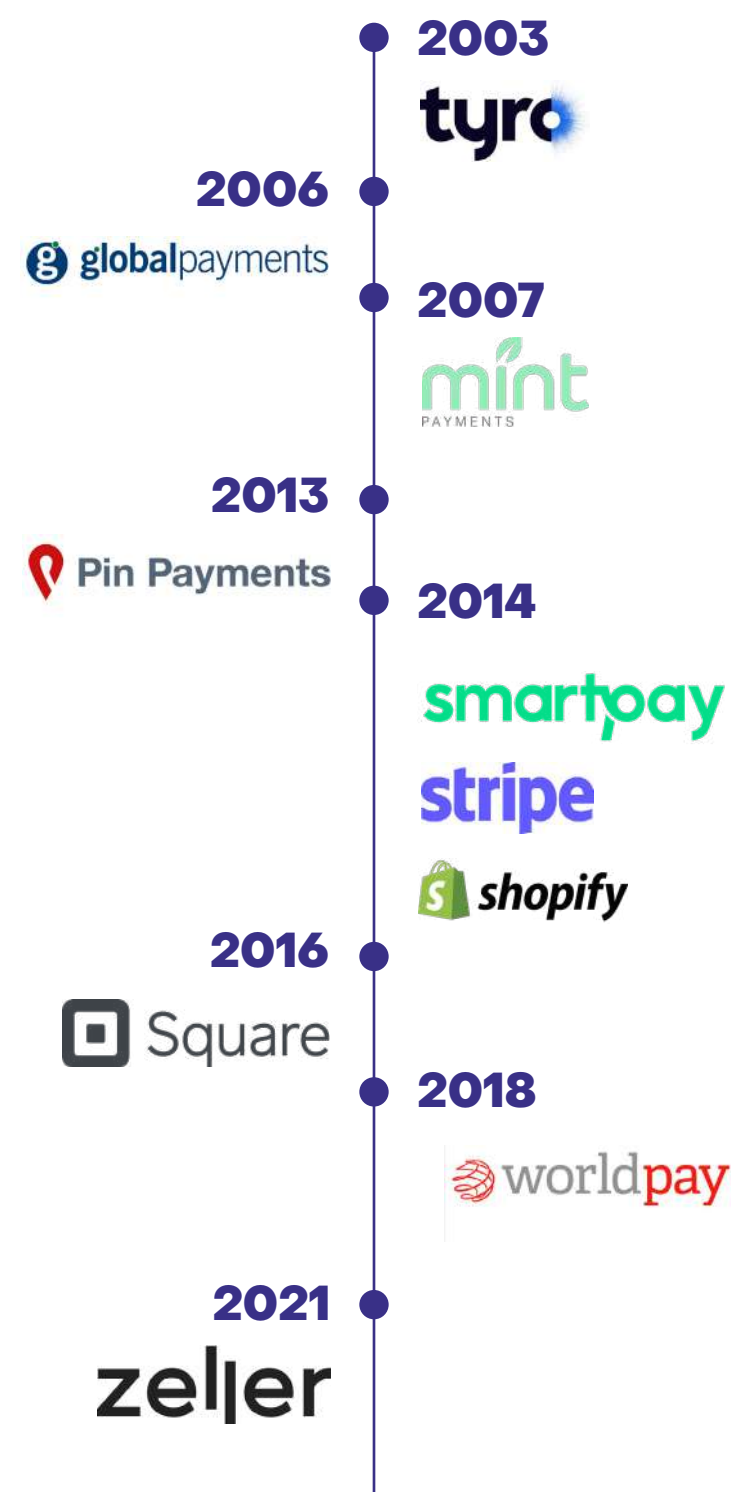
02

ENTRY OF FINTECH PSPs

The entry of Fintech PSPs has increased competition and driven down acquiring fees

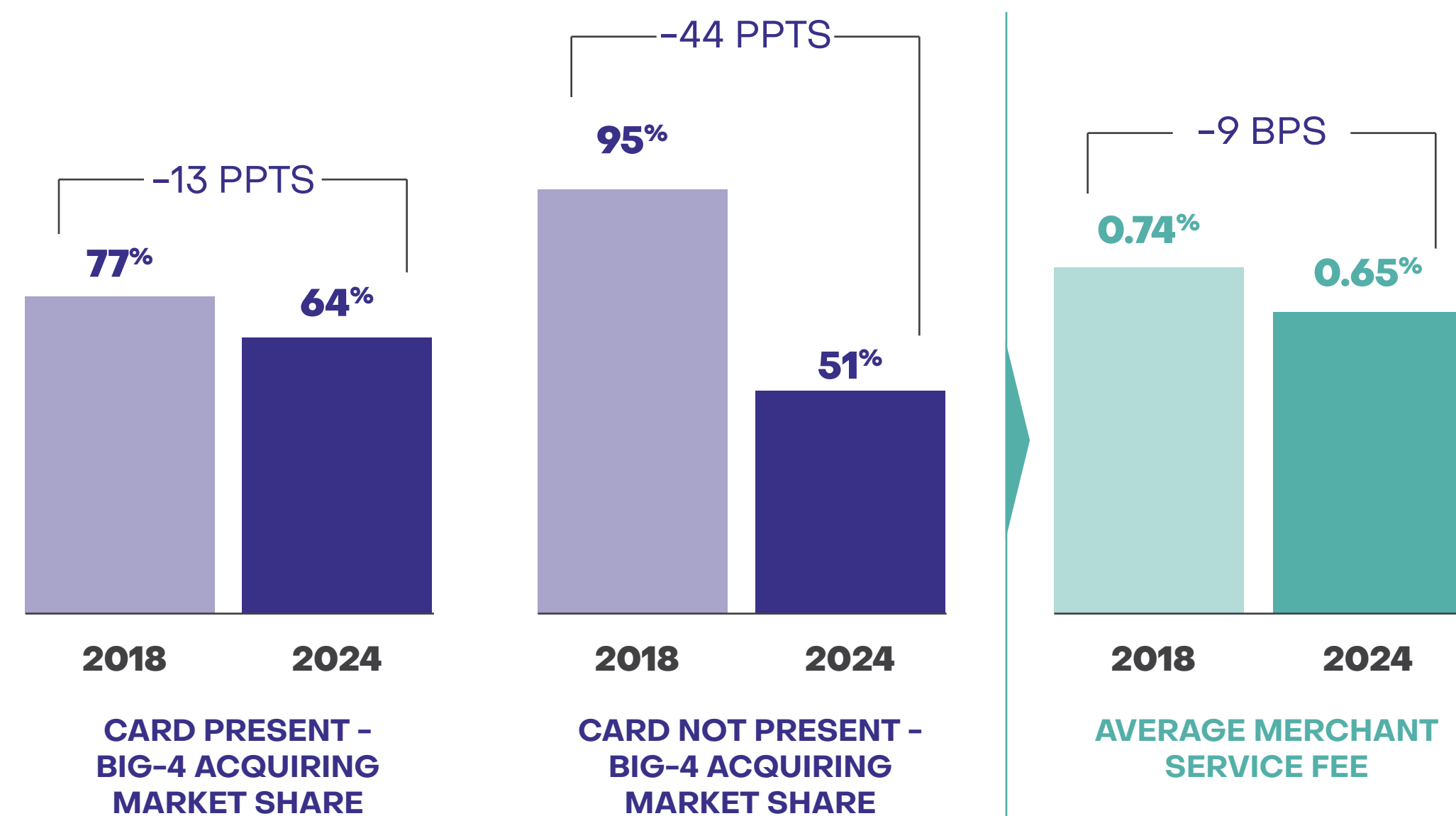
NEW ENTRANTS TO THE ACQUIRING AND PSP MARKET

TIMELINE OF MARKET ENTRY, AUSTRALIA, 2003-2023



AS MARKET CONCENTRATION IN PSP/ACQUIRING HAS DECLINED, SO TOO HAVE AVERAGE MERCHANT SERVICE FEES

MARKET SHARE OF MAJOR BANKS IN THE ACQUIRING MARKET COMPARED WITH AVERAGE MERCHANT SERVICE FEES, 2018-2024



Source: Desktop research; The Initiatives Group (2024); RBA Payments data; Mandala analysis

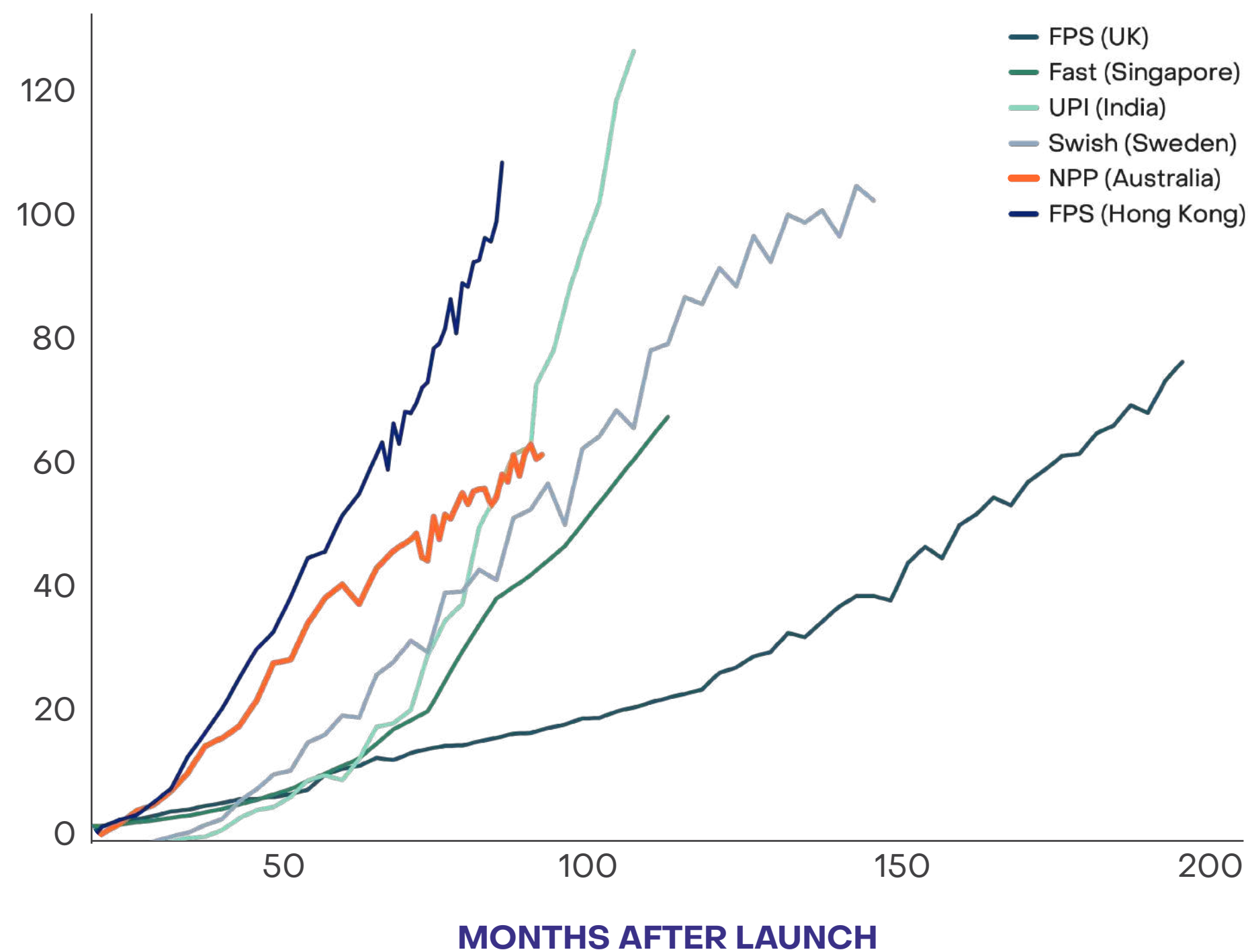
02

DEVELOPMENT OF NPP

The adoption of the New Payments Platform (NPP) for real-time account-to-account payments has been rapid compared with similar systems overseas

USE OF FAST PAYMENTS SYSTEMS

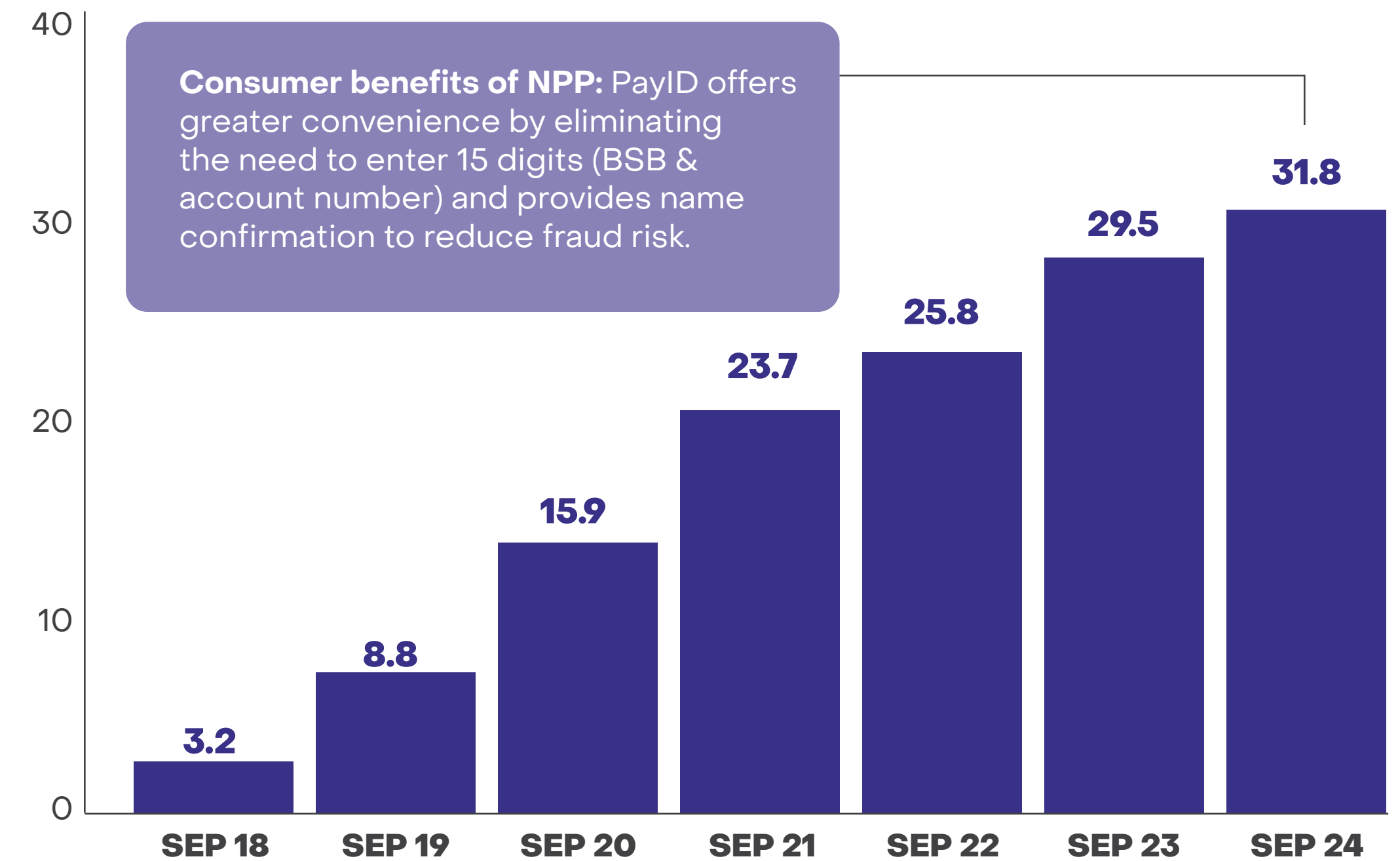
TRANSACTIONS PER CAPITA, ANNUALISED



Source: RBA (2024); Mandala analysis

NPP SHARE OF ACCOUNT-TO-ACCOUNT TRANSFERS

%, 2018-2024, SEASONALLY ADJUSTED

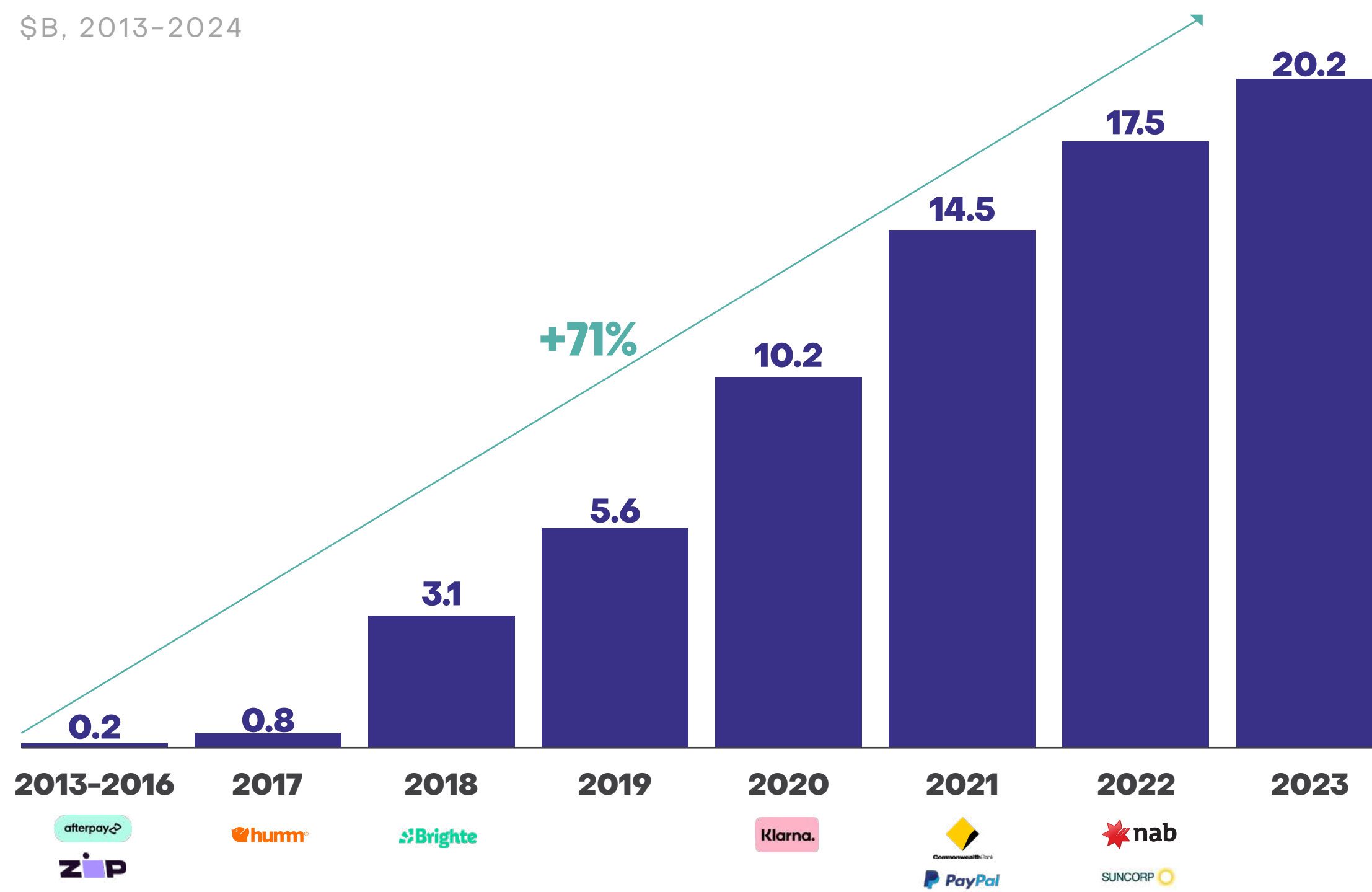


RISE OF BNPL

Payments on BNPL platforms have grown exponentially since 2017 with 39% of BNPL users choosing the service because it helps them manage their budgeting

ANNUAL VALUE OF PAYMENTS ON BNPL SERVICES IN AUSTRALIA

\$B, 2013-2024



MAJOR NEW ENTRANTS BY YEAR

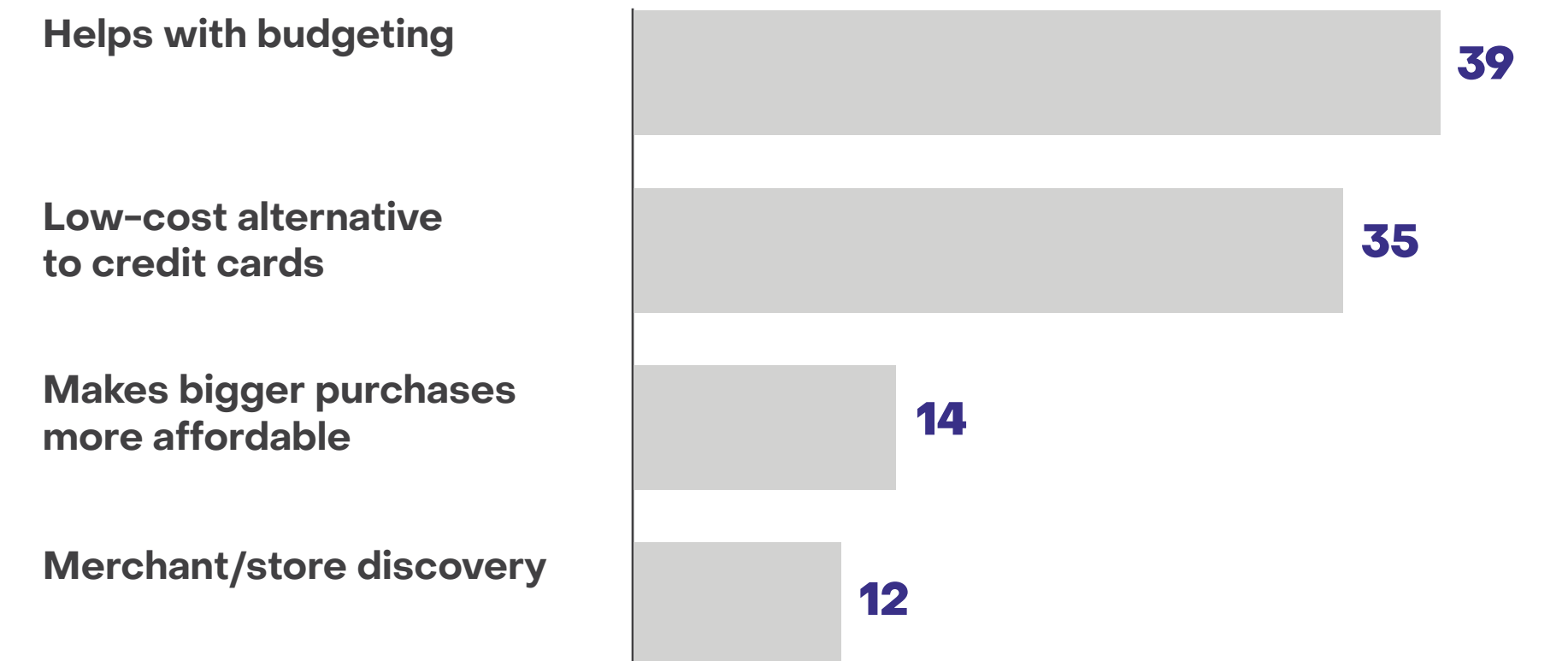
Source: Desktop research, Company reports, RBA (2024); Mandala analysis

The benefit that I see in using BNPL, as someone who works full-time and is paid fortnightly, is the ability to split my spending into four equal installments - this makes my payments more manageable and I can align them to my budget.

Sally
Sydney

REASONS FOR USING BNPL

% OF RESPONDENTS, 2024

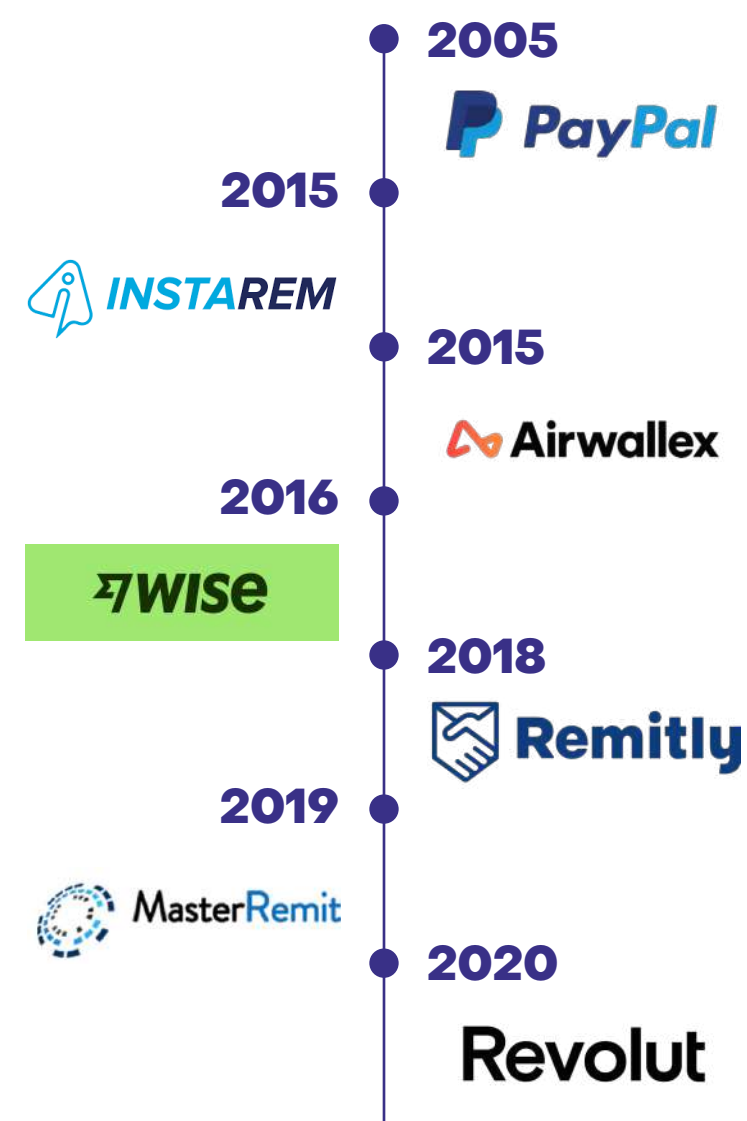


02

Non-bank providers offer merchants and consumers significantly lower rates than banks for overseas money transfers

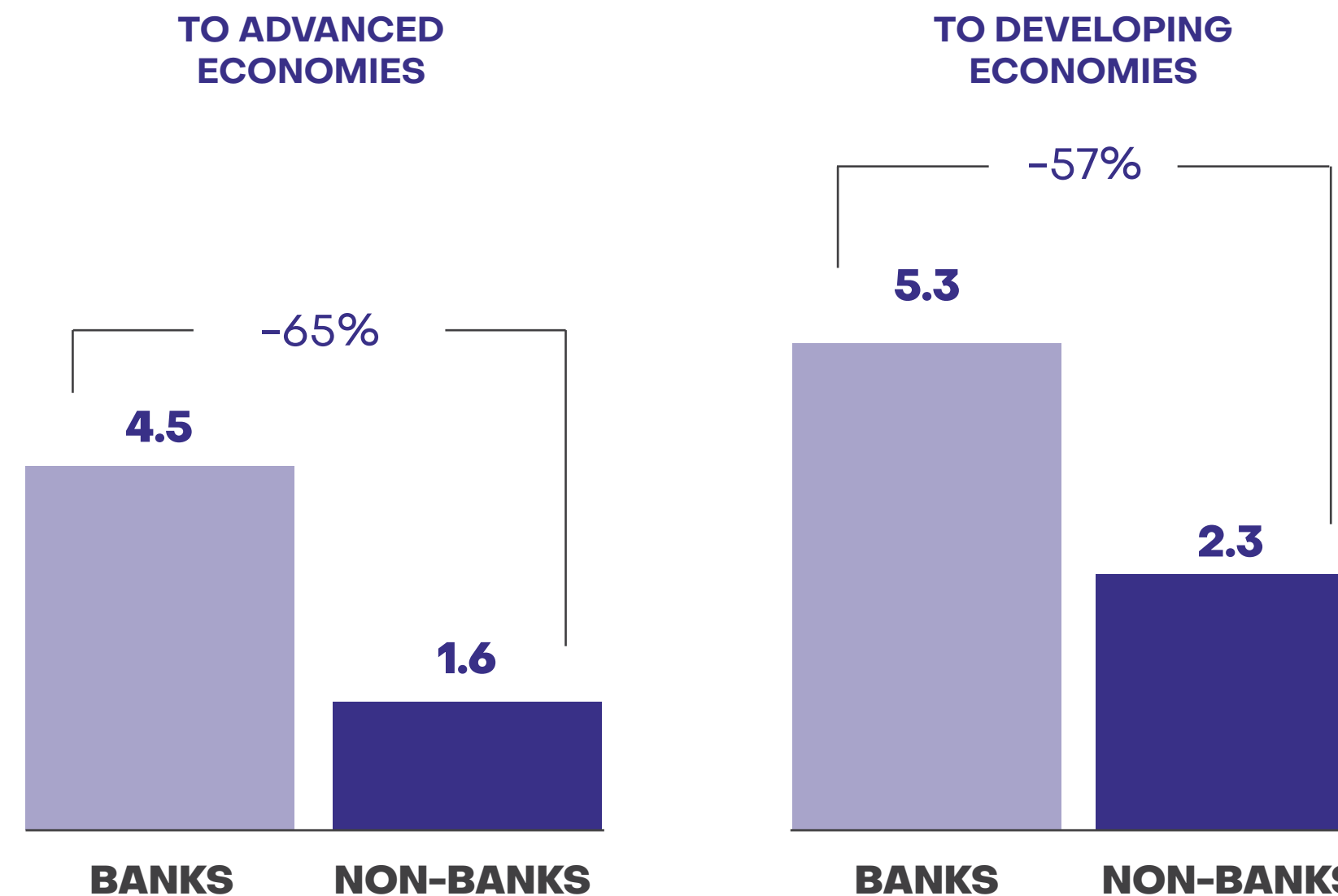
NEW ENTRANTS TO CROSS-BORDER PAYMENTS

TIMELINE OF MARKET ENTRY, AUSTRALIA, 2005 - 2023



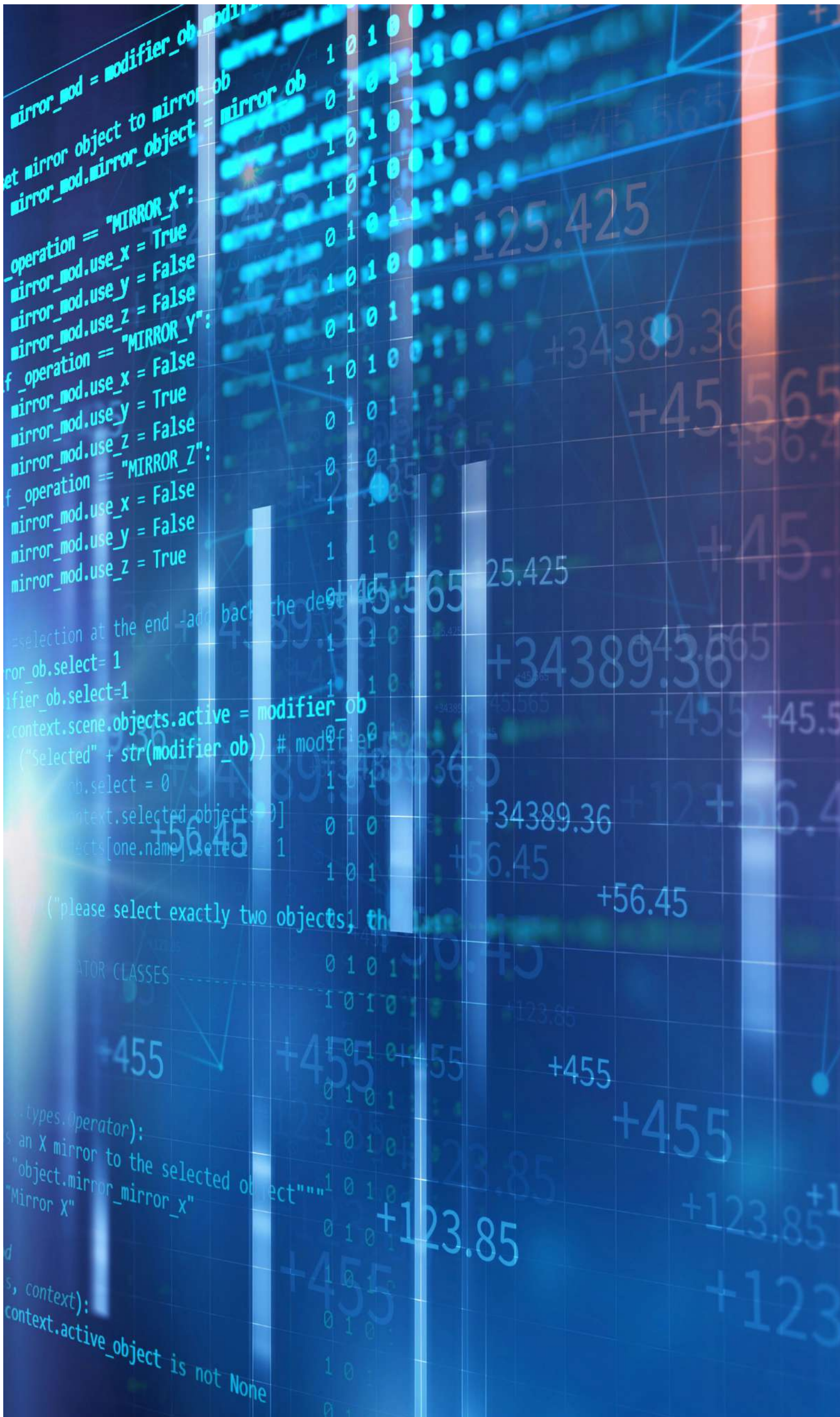
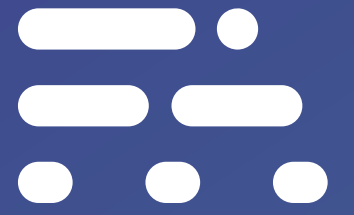
INTERNATIONAL MONEY TRANSFER COSTS

%, AS A PROPORTION OF AN AUD\$1000 TRANSFER FROM AUSTRALIAN ACCOUNTS



Opaque pricing structures used by traditional financial institutions, such as banks, obscure the costs of international money transfers. **One in five Australians do not at all understand the costs of international money transfers**, while a further 26% of Australians say they understand only a little.¹

Notes: 1. YouGov Survey (2024)
Source: Desktop research; RBA (2024); Mandala analysis.



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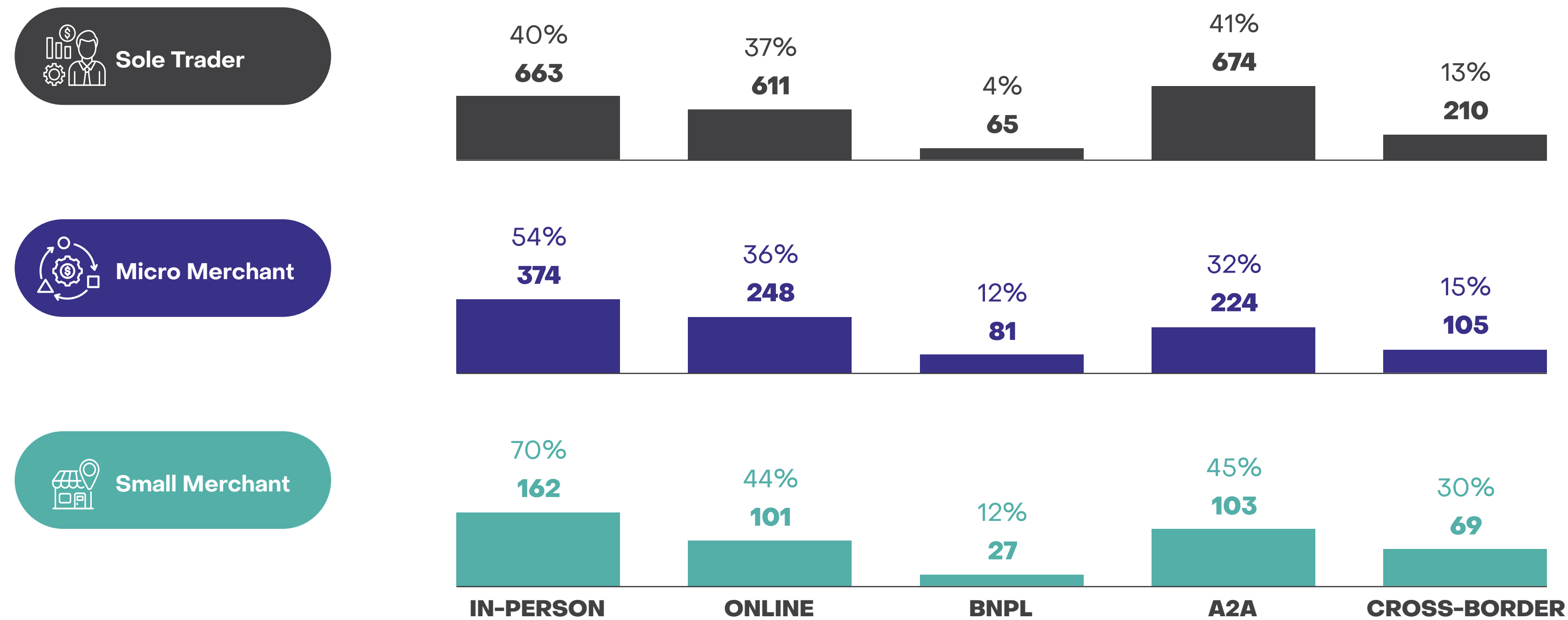
03

SMALL BUSINESS LANDSCAPE

Fintech payment solutions are widely used by small businesses across all size categories

NUMBER OF MERCHANTS USING DIFFERENT PAYMENT SOLUTIONS BY MERCHANT SIZE

TOTAL NUMBER OF MERCHANTS ('000), 2024



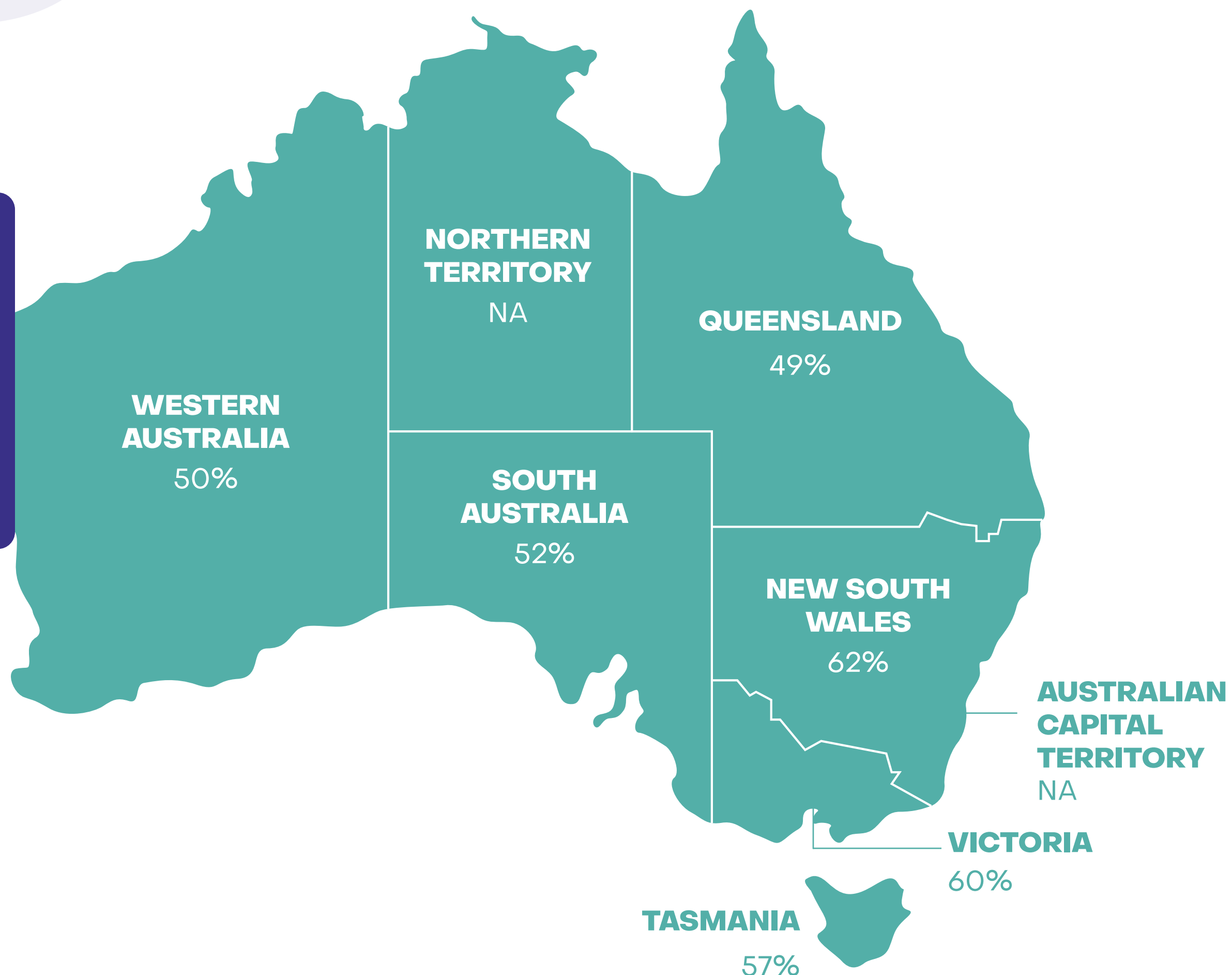
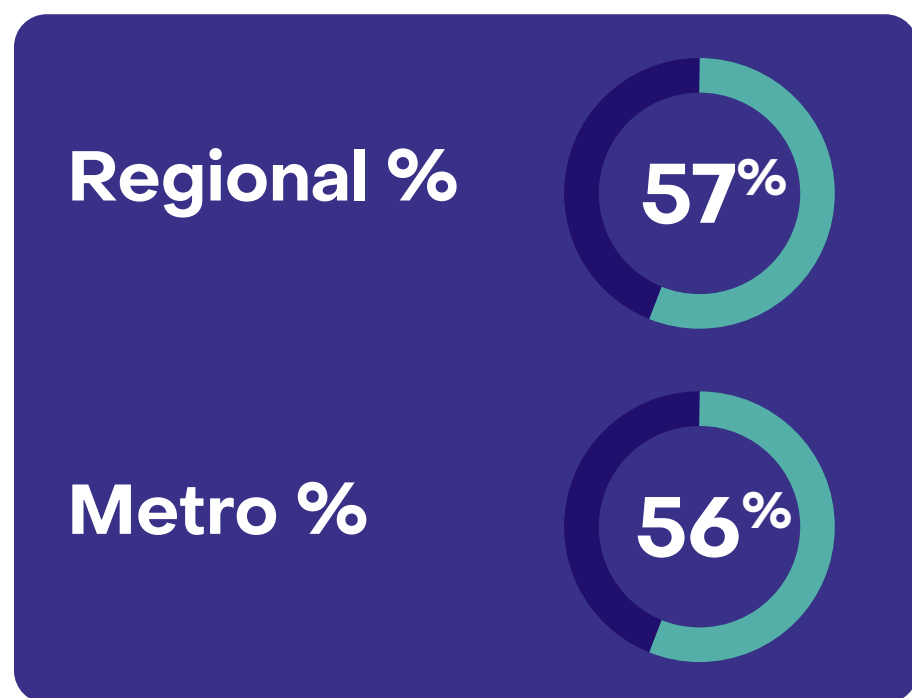
'In-person' payment solutions have the highest penetration of all payment types¹

A2A' payment solutions have similar adoption rates across small business merchant sizes, largely due to the growing adoption of PayID.

Notes: 1. Online Payment Solutions potentially overrepresented as the survey was conducted online
Sources: Mandala small business survey (2025); Mandala analysis.

03

A significant proportion of small businesses nationwide have opted for non-bank fintech payment solutions for their in-person payment needs



Non-bank payment solutions represent **~50% of merchants nationwide** (for in-person payments)

Regional merchants are more reliant on non-bank solutions for in-person payment solutions (57% vs 56%)

NSW has the highest penetration of non-bank Fintech payment solutions (62%) vs. Queensland with the lowest (49%)

Sources: Mandala small business survey (2025); Mandala analysis.

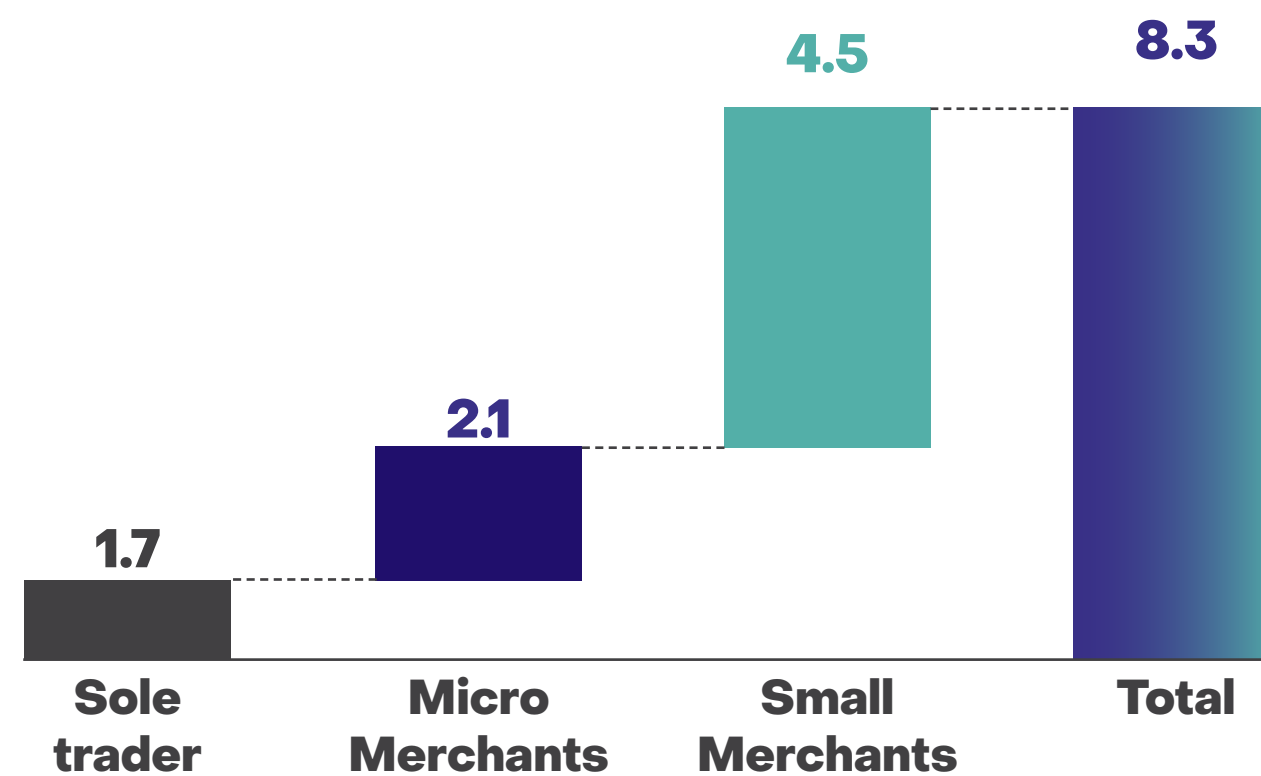
03

SMALL BUSINESS LANDSCAPE

On average, merchants have experienced ~\$8bn increase in revenue, and saved ~\$1bn in costs by adopting a fintech solution

MARKET WIDE ADDITIONAL REVENUE FROM ADOPTING A FINTECH PAYMENT SOLUTION¹

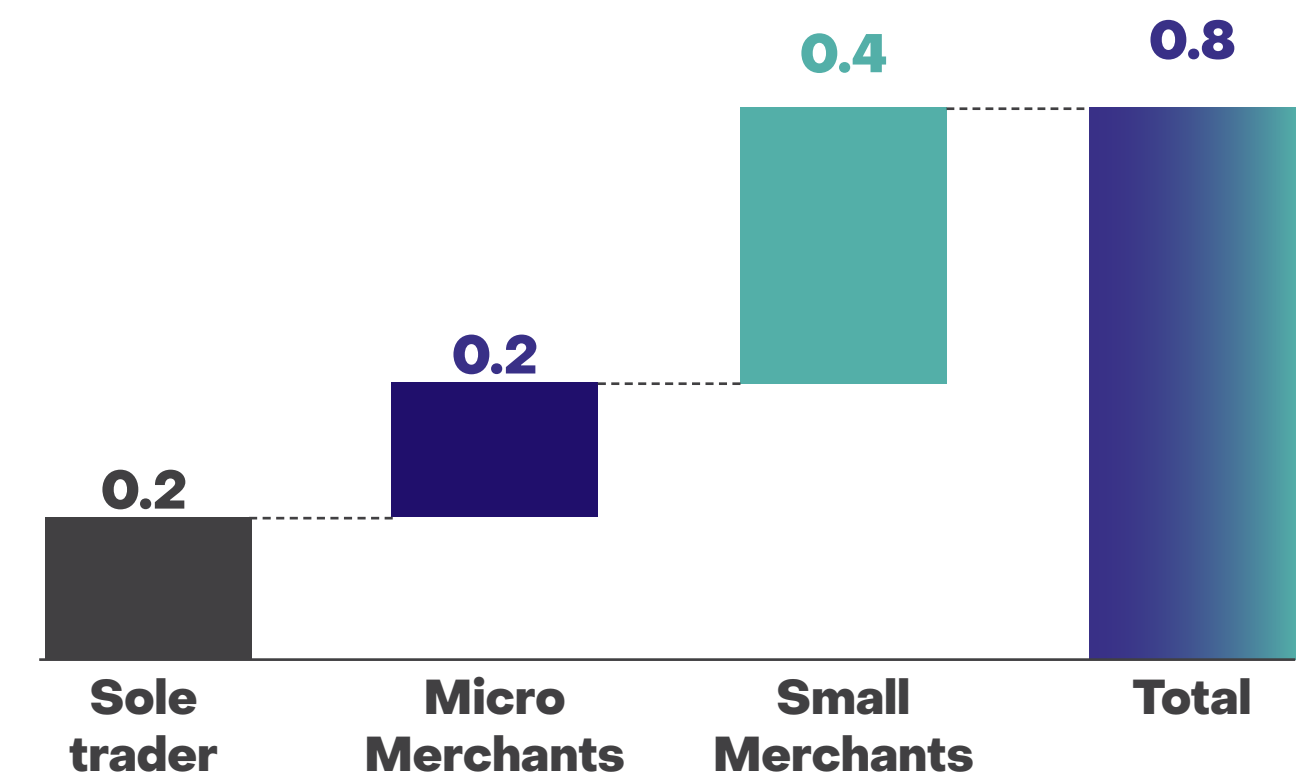
\$BN VALUE OF ECONOMY-WIDE REVENUE GENERATED, 2024



	Sole trader	Micro Merchants	Small Merchants	Total
% INCREASE ON TOTAL REVENUE	4%	2%	1%	1%
AVERAGE ADDITIONAL REVENUE PER MERCHANT P.A.	\$1K	\$3K	\$19K	\$23K

MARKET WIDE AVERAGE COST SAVINGS FROM ADOPTING A FINTECH PAYMENT SOLUTION²

\$BN VALUE OF ECONOMY-WIDE COST SAVINGS, 2024



	Sole trader	Micro Merchants	Small Merchants	Total
% OF COSTS SAVED	0.3%	0.3%	0.5%	0.4%
AVERAGE COST SAVED PER MERCHANT P.A.	\$100	\$350	\$2K	\$2.5K

Notes: 1. Merchants were asked to determine the % increase in revenue they experienced after adopting a fintech payment solution; 2. Merchants were asked to determine the % decrease in costs they experienced after adopting a fintech payment solution. Sources: Mandala small business survey (2025); Mandala analysis.

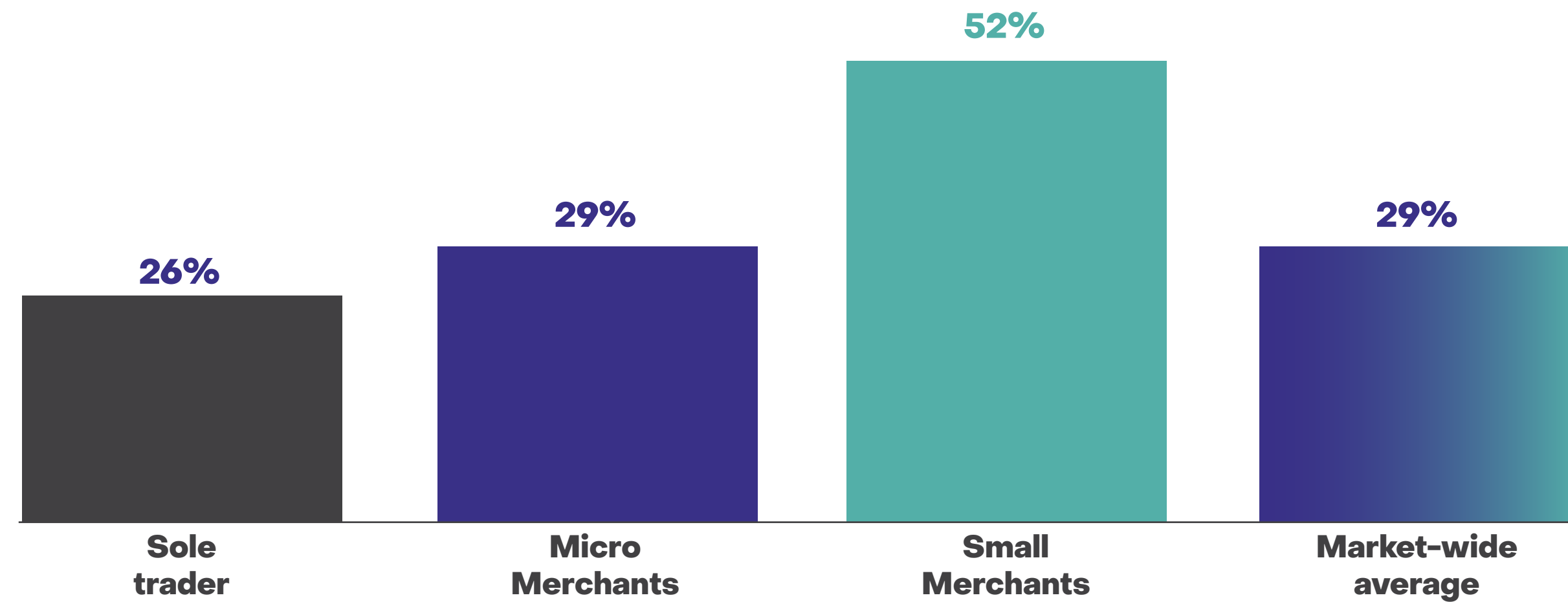
03

SMALL BUSINESS LANDSCAPE

Nearly 30% of sole traders, micro merchants and small merchants have grown in size since adopting a fintech solution

MERCHANTS WHO HAVE GROWN IN SIZE (>2.5%) SINCE ADOPTING A FINTECH SOLUTION

% OF MERCHANTS SURVEYED (N = 529), 2024



ESTIMATED MARKET WIDE MERCHANTS THAT HAVE GROWN

(#, rebased to market)



Nearly one third of small businesses **grew after adopting a fintech payment solution.**

Fintech payment solution adoption represents a **significant growth driver** for small businesses of all sizes.

Small merchants **benefit relatively more** than sole traders and micro merchants from adopting a fintech solution.

Fintech payment solutions have **broad applicability** across business types.

Note: 1. Growth defined by increase in revenue >2.5%.
Sources: Mandala small businesses survey (2025); Mandala analysis.

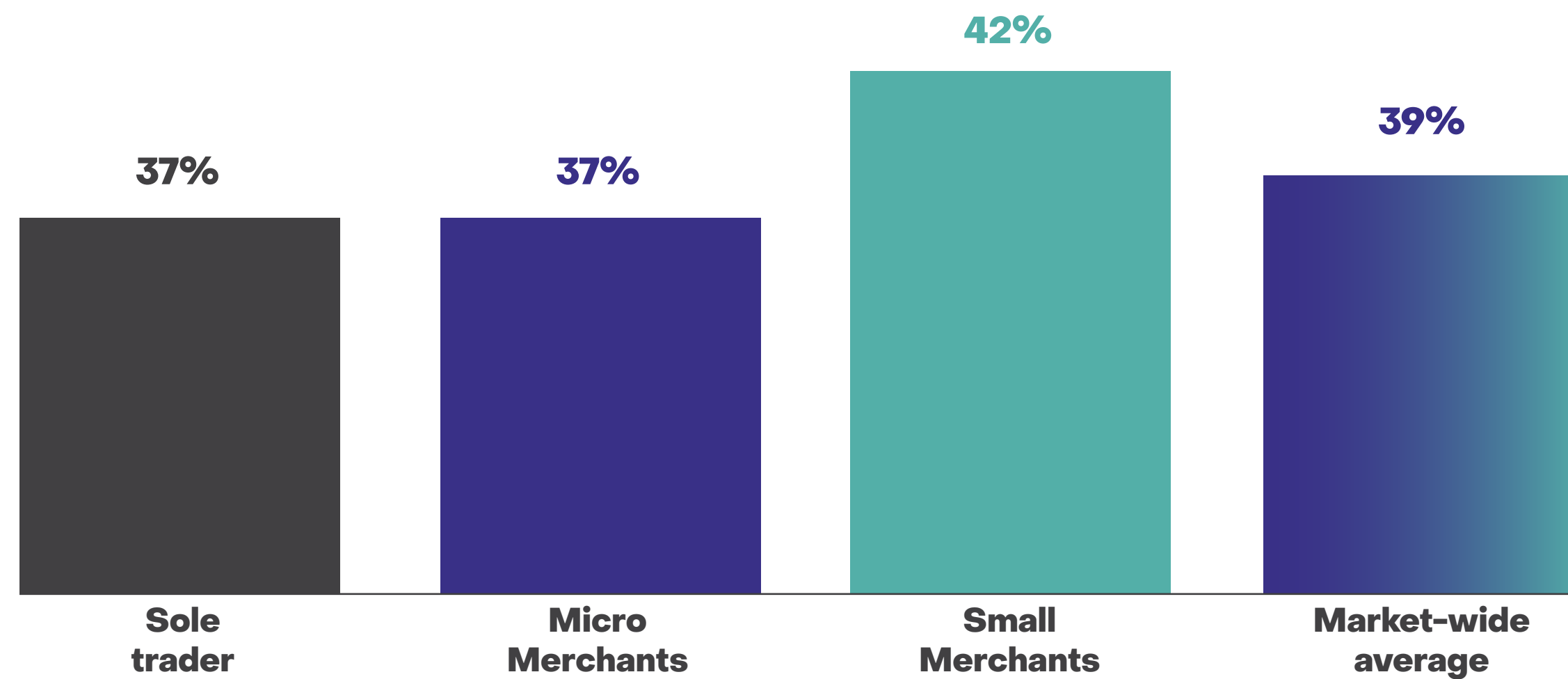
03

SMALL BUSINESS LANDSCAPE

~39% of merchants surveyed switched from a big 4 bank to a non-bank payment provider to access a broader range of services

MERCHANTS WHO SWITCHED FROM BIG 4 BANKS TO A NON-BANK FINTECH

% OF MERCHANTS SURVEYED (N = 529), 2024



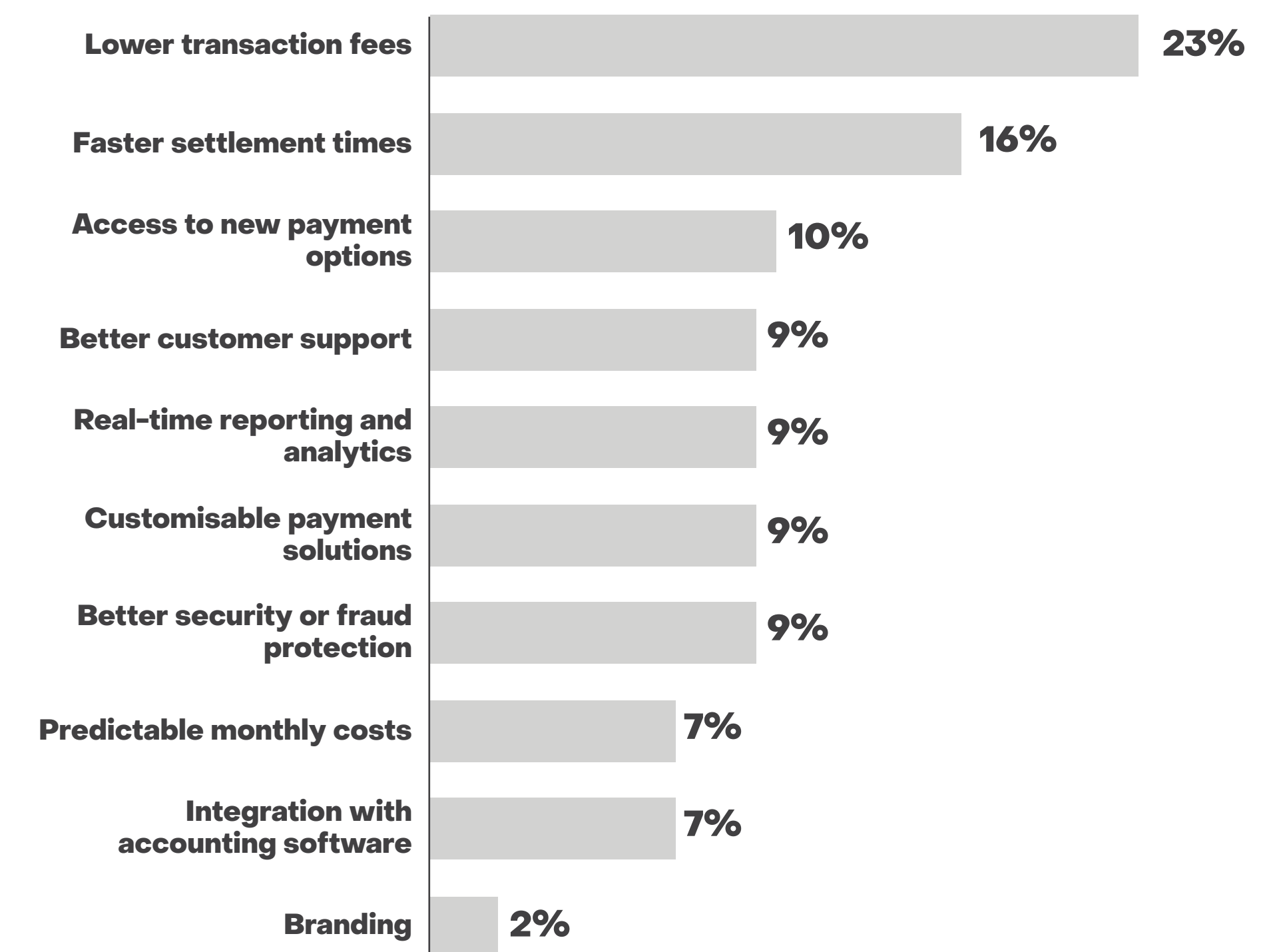
ESTIMATED MARKET WIDE NUMBER OF MERCHANTS THAT SWITCHED

(#, rebased to market)

-600K -250K -100K -950K

REASONS FOR SWITCHING FROM BANK TO A NON-BANK FINTECH

% OF MERCHANTS SURVEYED (N = 529), 2024



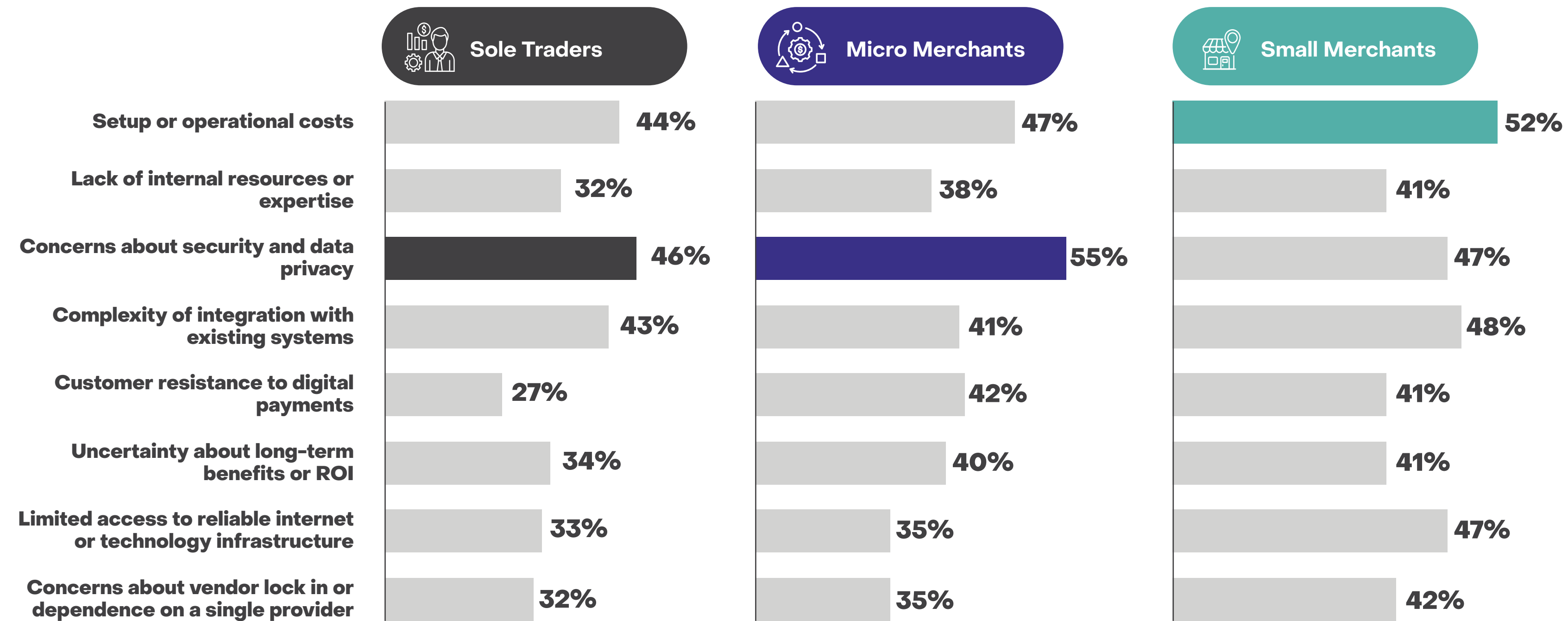
Sources: Mandala small business survey (2025); Mandala analysis.

03

Concerns around security and privacy, and setup and operational costs are leading reasons small merchants are hesitant to adopt digital payments solutions

BARRIERS TO ADOPTING MORE FINTECH SOLUTIONS

% OF MERCHANTS VIEWING EACH BARRIER AS SIGNIFICANT OR VERY SIGNIFICANT (N = 529)

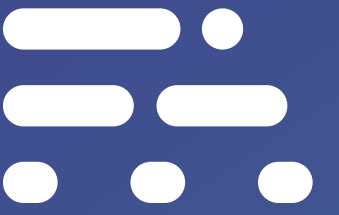


Set up and operational costs are the leading concern among small merchants.

Concerns around security and privacy are the dominant concerns for sole traders and micro merchants.

As businesses grow in size, cost pressures become a greater barrier.

1. How significant are the following barriers to your business adopting more digital payment solutions? (1 = not significant, 5 = very significant)
Sources: Sources: Mandala small business survey (2025); Mandala analysis.



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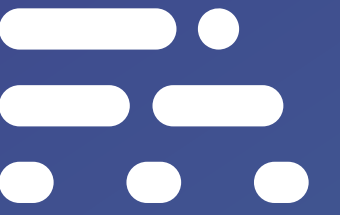
Fintech payment solutions have enabled small business growth through increasing revenue and decreasing costs

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Fintech payment solutions have delivered broad-based benefits across different use cases for small businesses

05

Appendix



04

Fintech payment solutions have delivered broad-based benefits across different use cases for small businesses

4.1

In-person payment solutions

4.2

Online payment solutions

4.3

Buy-now-pay-later solutions

4.4

Account-to-account payment solutions

4.5

Cross-border payment solutions

04

IN-PERSON PAYMENT SOLUTIONS

~59% of merchants identified generating additional revenue after adopting in-person payments solutions

Additional revenue generated

59% of these merchants identified **generating additional revenue** as a result of using an in-person payment solutions

Of those who did, a plurality saw a **2.5-5% increase in revenue** as a result

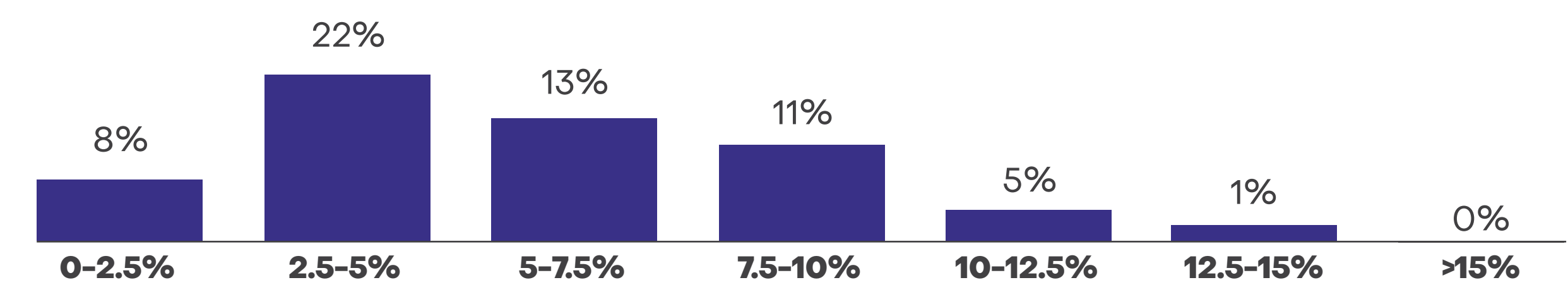
Cost savings realised

31% of these merchants identified **saving cost** as a result of using an in-person payment solutions

Of those who did, a plurality saw a **2.5-5% cost saving** as a result

ADDITIONAL REVENUE GENERATED FROM USING IN-PERSON PAYMENTS SOLUTIONS

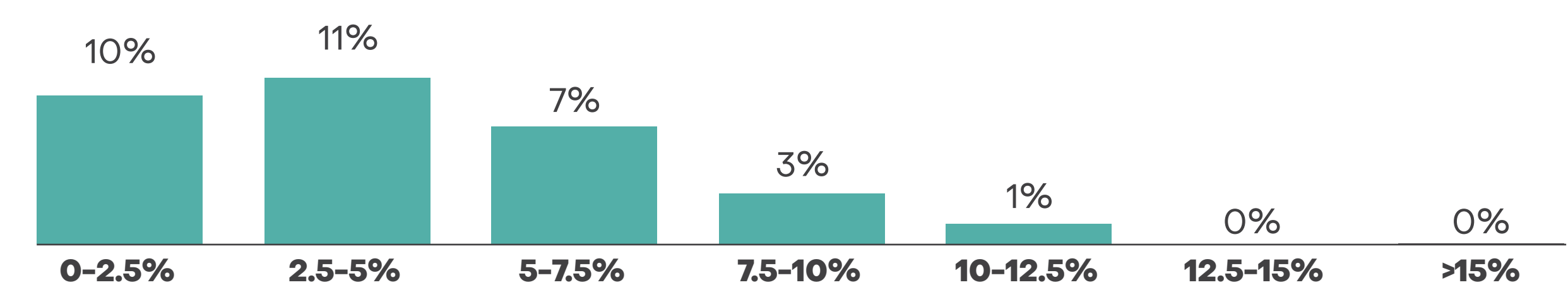
% OF MERCHANTS USING PAYMENT SOLUTION, 2024



56% of small businesses surveyed use **in-person payments solutions** (e.g. Smartpay, Square, Zeller etc.)

COST SAVINGS GENERATED FROM USING IN-PERSON PAYMENT SOLUTIONS

% OF MERCHANTS USING PAYMENT SOLUTION, 2024



Sources: Mandala small business survey (2025); Mandala analysis.

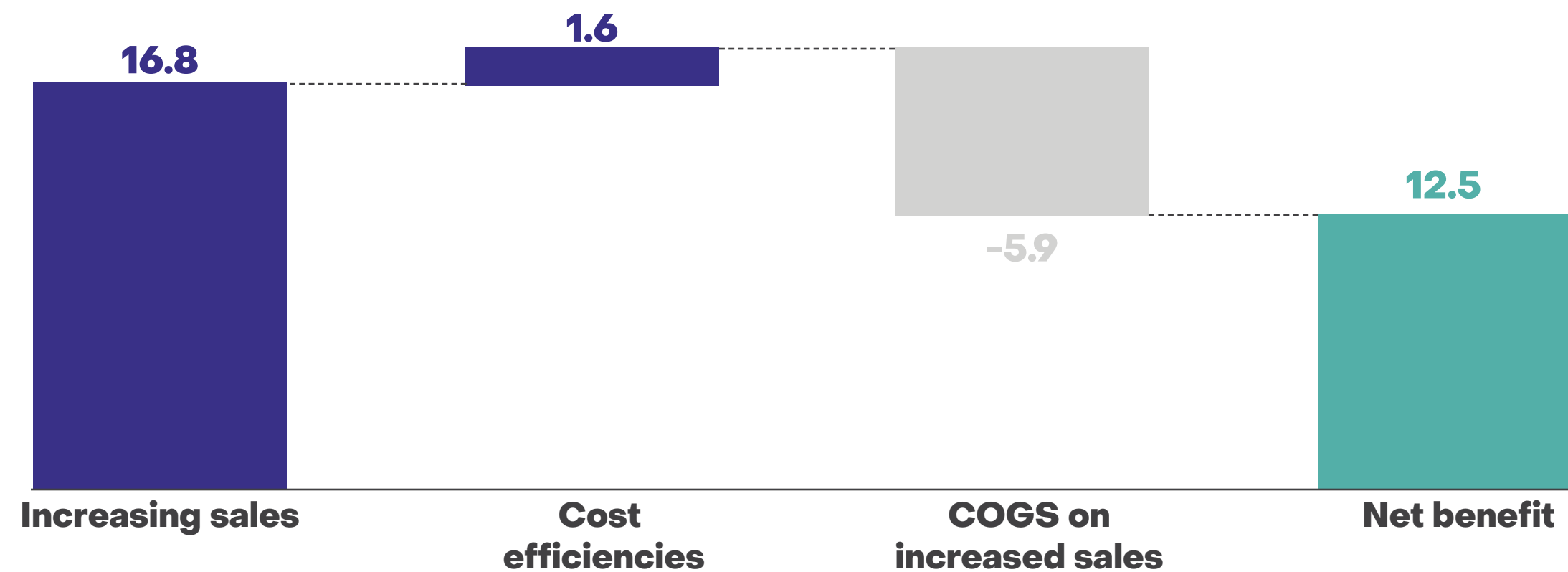
04

IN-PERSON PAYMENT SOLUTIONS

Small merchants have accrued ~\$12.5bn in net benefits from adopting in-person payments solutions

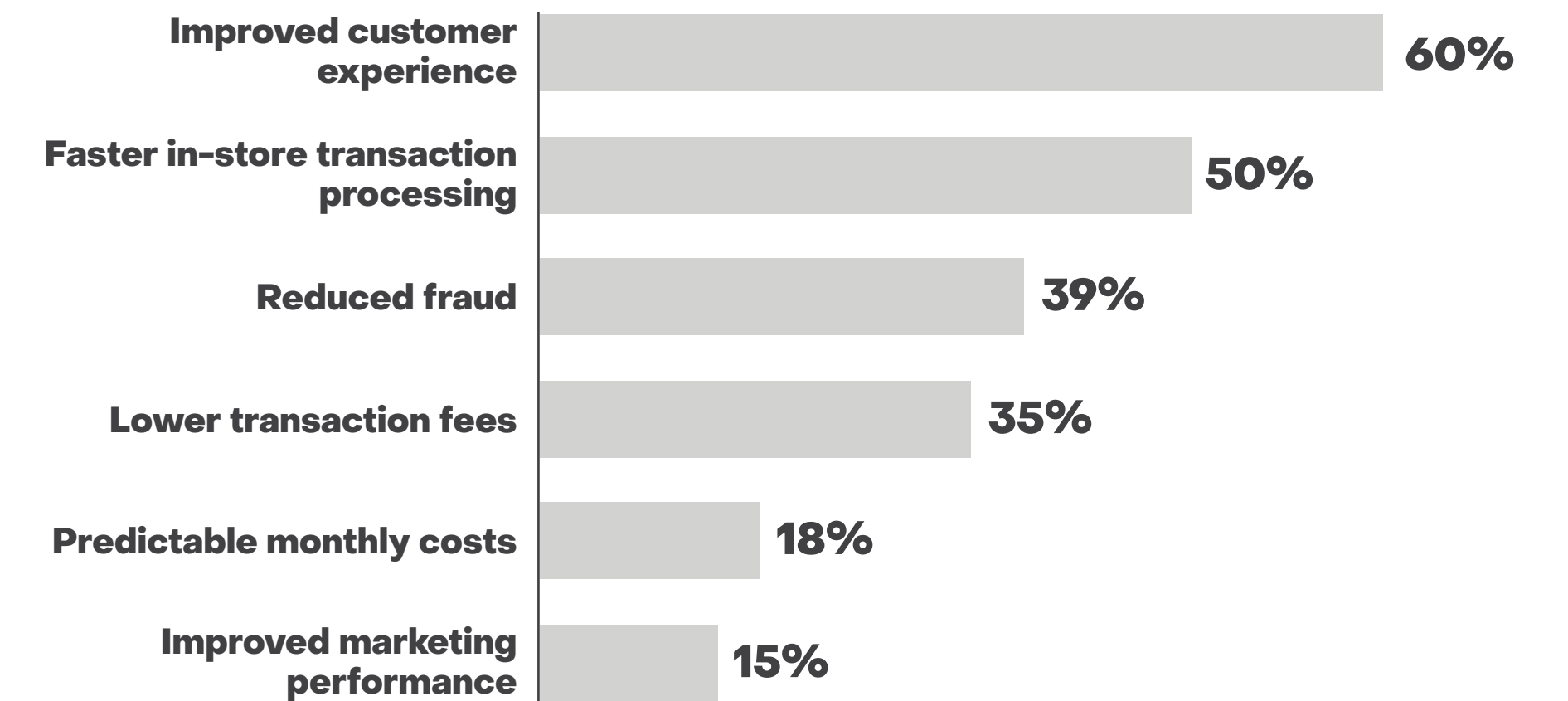
ECONOMIC BENEFITS FOR MERCHANTS USING IN-PERSON PAYMENTS SOLUTIONS¹

\$BN ACROSS ALL SMALL MERCHANTS, 2024



MERCHANT BENEFITS FROM ADOPTING IN-PERSON PAYMENT SOLUTIONS

% OF MERCHANTS SURVEYED, 2024



3% average uplift for merchants adopt in-person payment solutions

59% of merchants reported **generating additional revenue** after adopting an in-person payment solution

\$17bn generated as additional revenue across all merchants nationwide using in-person payments solutions

31% of merchants reported **cost savings** from adopting an in-person payment solution

\$1.6bn saved across all merchants nationwide from using in-person payments solutions

Notes: 1. Calculated by applying average additional revenue and cost saving %, and applying that across the proportion of small merchants nationwide using the relevant payment solution
Sources: Mandala small business survey (2025); Mandala analysis.

04

IN-PERSON PAYMENT SOLUTIONS

Fintech PSPs provide merchants with a wide range of services for in-person payment solutions that would otherwise be inaccessible

FINTECH PSPS PROVIDE SERVICES THAT GENERALLY AREN'T PROVIDED BY ISSUER-ACQUIRERS

NON-EXHAUSTIVE LIST OF PAYMENT AND PAYMENT-RELATED SERVICES GENERALLY OFFERED BY FINTECH PSPS AND ISSUER-ACQUIRERS

Payment and payment-related service offerings 		Fintech PSP 	Issuer- acquirers 
 Payment services	Low, fixed cost payment model	✓	✓
	Flexible pricing model options	✓	✓
	Master merchant aggregation	✓	✗
	Cross-channel payment solutions	✓	✓
	Comprehensive payment method acceptance	✓	✓
	One-click checkout, and card-on-file services	✓	✗
 Payment-related and customer services	Customer support 7 days a week	✓	✓
	Instant, free digital onboarding and account setup	✓	✗
	Software-based acceptance (e.g., mobile ePOS)	✓	✗
	Digital invoice generation and delivery	✓	✗
	Streamlined refund and dispute handling	✓	✓
	Business analytics and reporting dashboard	✓	✓
	Digital servicing	✓	✗
	Customer insights, analytics and reporting	✓	✗
Merchant loyalty and rewards program management	✓	✗	
Business software integration capabilities	✓	✗	

Source: Expert interviews; Mandala analysis

CASE STUDY

Zeller provides services that specifically support small businesses

Zeller accounts take about 5 minutes to set up

Issuer-acquirer accounts can take weeks to set up

Zeller average service wait time is less than a minute

Issuer-acquirer average service wait time is about 90 minutes

Zeller provides an integrated dashboard with item-level reports

This provides businesses with insights that support growth

Zeller's app allows merchants to take payments and manage their businesses remotely

This allows businesses flexibility and security in their payments and business management

Part of Zeller's value proposition is fast and simplified onboarding, leading user experience and a simple pricing structure for merchants.



04

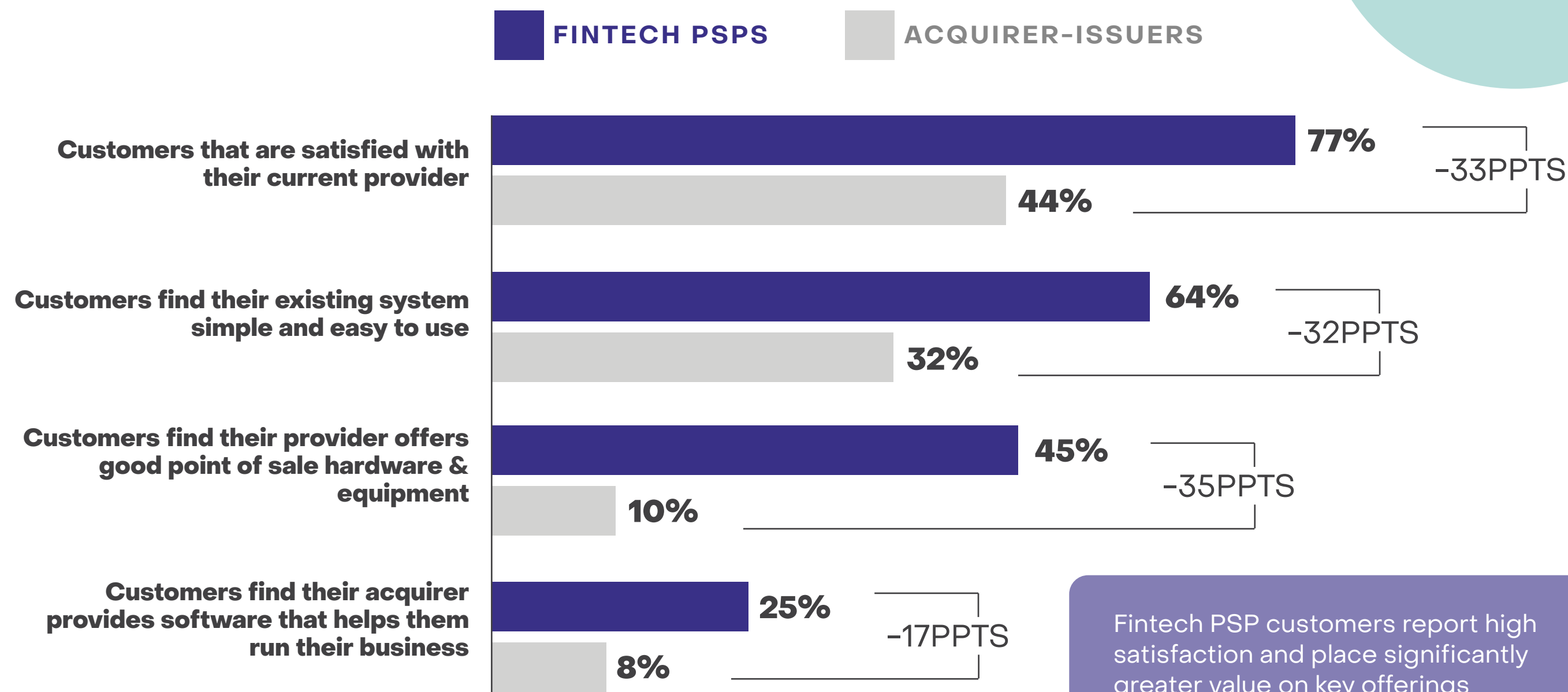
IN-PERSON PAYMENT SOLUTIONS

Merchants are more satisfied with Fintech PSPs than acquirer-issuers for in-person payment solutions, and they save thousands each year using bundled POS software

Satisfaction is significantly higher among merchants that use Fintech PSPs than acquirer-issuers

FINTECH PSP OFFERINGS ARE MORE LIKELY TO RETAIN MERCHANTS

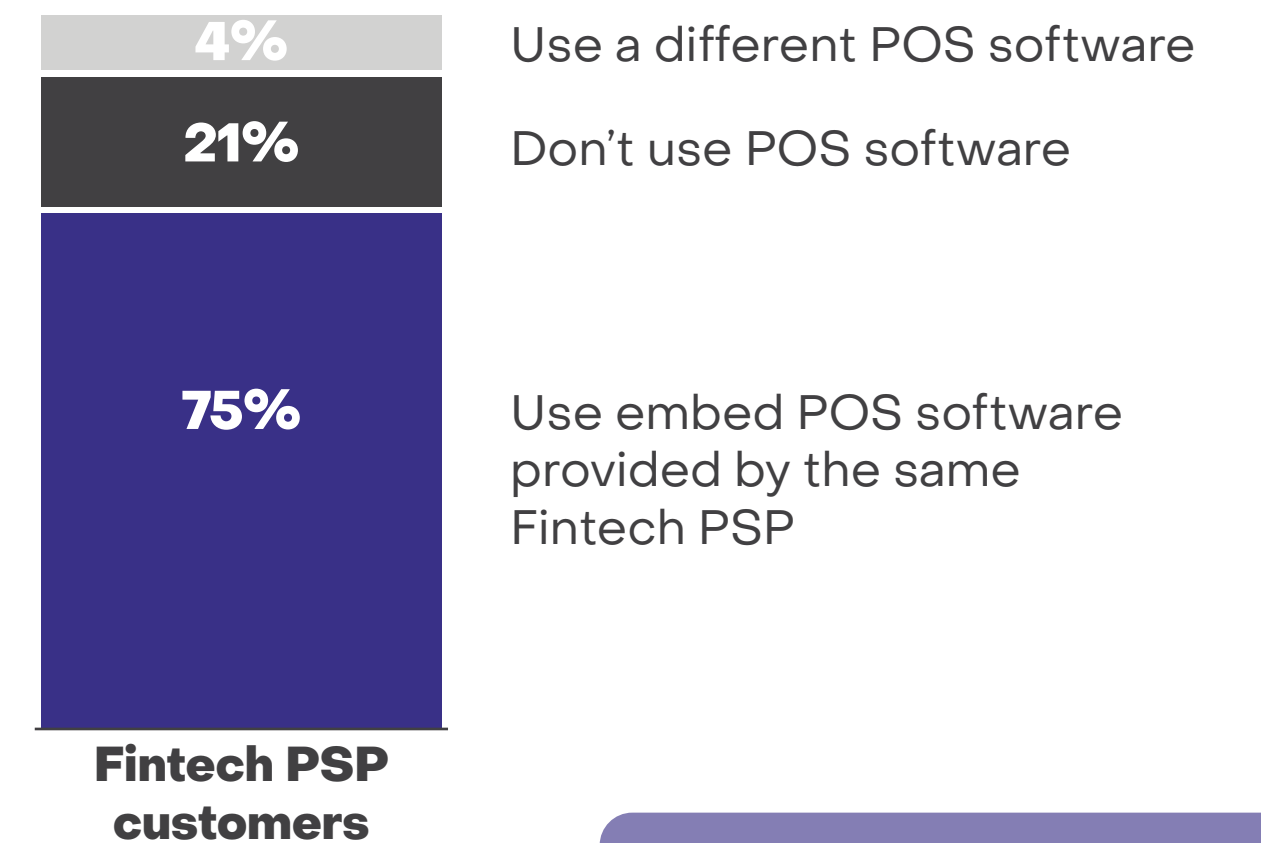
WHAT POINT OF SALE SOFTWARE DOES YOUR BUSINESS USE?"



Fintech PSP customers report high satisfaction and place significantly greater value on key offerings such as simplicity, hardware, and software compared to customers of acquirer-issuers.

MERCHANTS OVERWHELMINGLY USE FINTECH PSPS' EMBEDDED POS SOFTWARE

WHAT POINT OF SALE SOFTWARE DOES YOUR BUSINESS USE?



Fintech PSP customers overwhelmingly use the embedded software provided by their PSP, further indicating a high level of satisfaction with their service.

Source: Results from survey of Fintech PSP customers; Mandala analysis

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CASE STUDY

Butcher Trims Fat on Bank Fees & Saves \$40K a Year

Mountain Side Meats was established in Shoalhaven Heads in 2011 by Nathan and Amanda Alcock. Nathan has had a career in butchering supplying the finest quality local meats and best service to the Shoalhaven/Illawarra for nearly 30 years.

With the introduction of Mountain Side Farm in 2021, the company is now specialising in the ultimate paddock-to-plate experience with our very own grass-fed free-range beef.

It is saving us about \$40k a year across our three butcheries. We're re-investing that money into better machinery and providing a wider range of premium produce. So it's been great for both us and our customers.

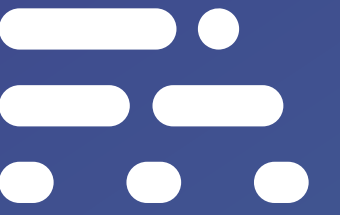
Nathan and Amanda
Founders


Benefits of adopting SmartPay:

“With the cost of everything going up, we only had two options: increase prices or find a way to reduce costs.”

With Smartpay Zero Cost™ EFTPOS, retailers don't pay a card transaction fee. Instead, a small surcharge is automatically calculated and passed on for the customer to pay





04

Fintech payment solutions have delivered broad-based benefits across different use cases for small businesses

4.1

In-person payment solutions

4.2

Online payment solutions

4.3

Buy-now-pay-later solutions

4.4

Account-to-account payment solutions

4.5

Cross-border payment solutions

04

ONLINE PAYMENT SOLUTIONS

~55% of merchants identified generating additional revenue after adopting online payments solutions

Additional revenue generated

55% of these merchants identified generating additional revenue as a result of using an online payment solution

Of those who did, a plurality saw a **2.5-5% increase in revenue** as a result

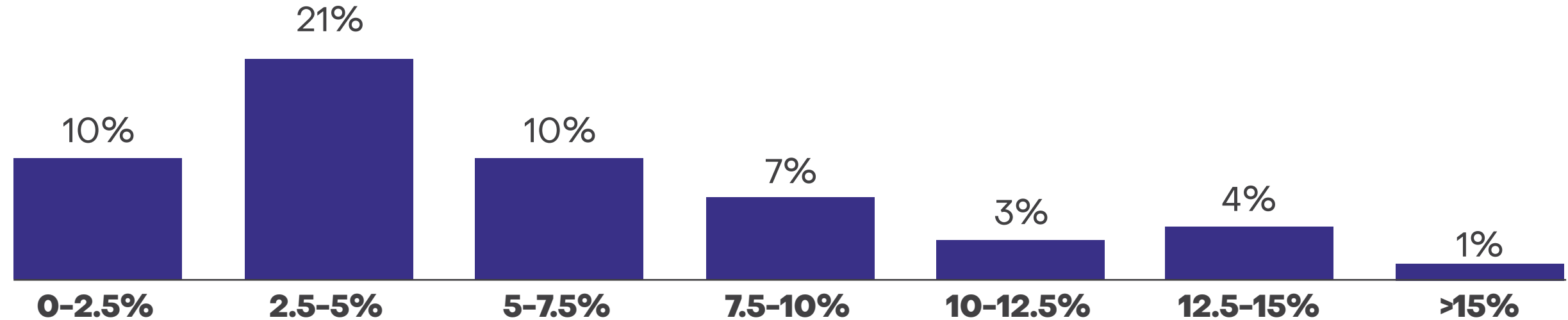
Cost savings realised

30% of these merchants identified saving cost as a result of using an online payment solution

Of those who did, a plurality saw a **2.5-5% increase in revenue** as a result

% ADDITIONAL REVENUE GENERATED FROM USING ONLINE PAYMENT SOLUTIONS

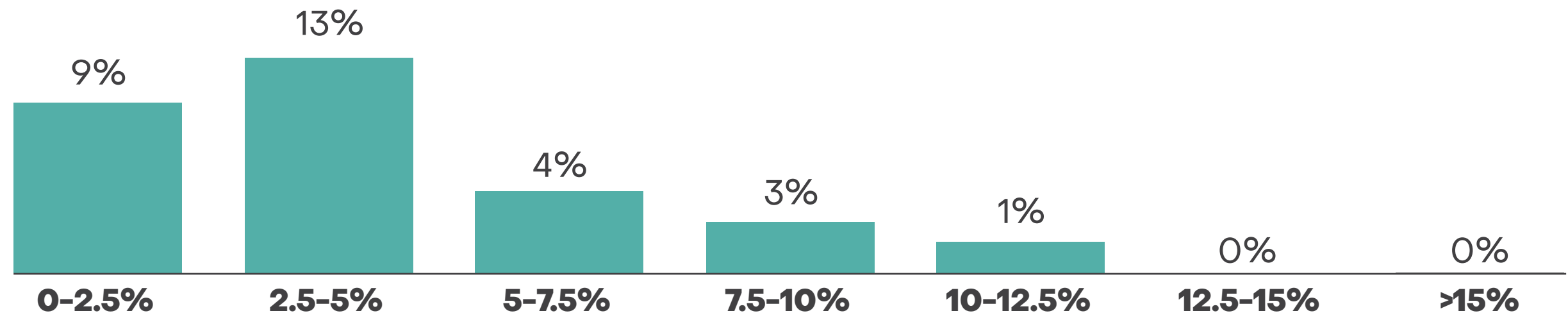
% OF MERCHANTS USING PAYMENT SOLUTION, 2024



39% of small businesses surveyed use online payment solutions (e.g. PayPal, Shopify, Stripe etc.)

% COST SAVINGS GENERATED FROM USING ONLINE PAYMENT SOLUTIONS

% OF MERCHANTS USING PAYMENT SOLUTION, 2024



Sources: Mandala small business survey (2025); Mandala analysis.

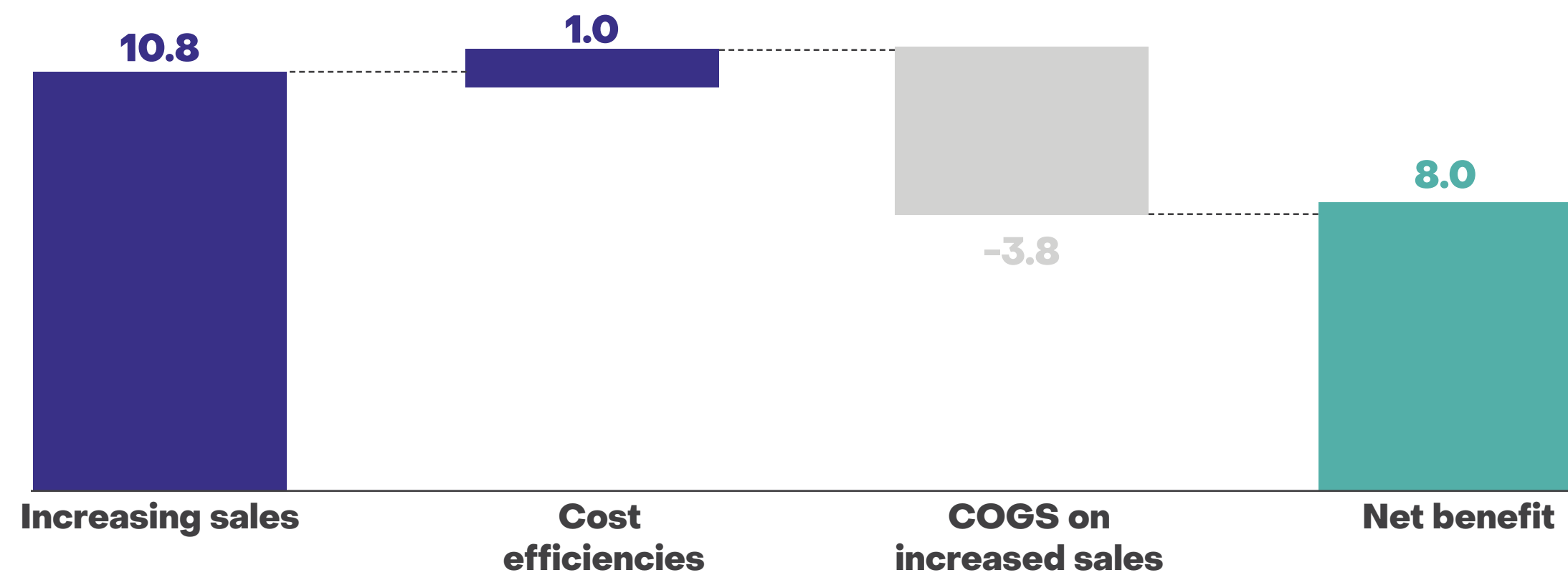
04

ONLINE PAYMENT SOLUTIONS

Small merchants have accrued ~\$8bn in net benefits from adopting online payments solutions

ECONOMIC BENEFITS FOR MERCHANTS USING ONLINE PAYMENT SOLUTIONS¹

\$BN ACROSS ALL SMALL MERCHANTS, 2024



- 3% average uplift for merchants who adopt online payment solutions
- 55% of merchants reported generating additional revenue after adopting an online payment solution
- \$11bn generated as additional revenue across all merchants nationwide using online payments solutions
- 30% of merchants reported cost savings from adopting an online payment solution
- \$1bn saved across merchants nationwide from using online payments solutions

MERCHANT BENEFITS FROM ADOPTING ONLINE PAYMENT SOLUTIONS

% OF MERCHANTS SURVEYED, 2024



Notes: 1. Calculated by applying average additional revenue and cost saving %, and applying that across the proportion of small merchants nationwide using the relevant payment solution
Sources: Mandala small business survey (2025); Mandala analysis.

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CASE STUDY

Cocky Underwear doubled sales overnight thanks to PayPal

Cocky Underwear is a premium Australian men's underwear brand that specialises in bold, fashion-forward designs.

Cocky Underwear is all about providing a unique story on your underpants. Cocky underwear is crafted with purpose – to celebrate the landscapes, beaches, and BBQs that make Australia unique.



Benefits of adopting PayPal:

Adopting PayPal instilled a sense of trust in Cocky Underwear. As a new business, establishing trust among consumers was vital to success and offering PayPal online payment solutions achieved that.

Adopting PayPal also met the demand of consumers, many of whom have a preference for PayPal over traditional online payment channels.

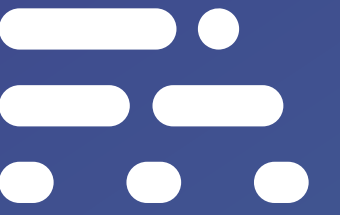


The moment we introduced PayPal, our figures skyrocketed, nearly 300%.



Scott McKenchie
Founder and Owner





04

Fintech payment solutions have delivered broad-based benefits across different use cases for small businesses

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In-person payment solutions

4.2

Online payment solutions

4.3

Buy-now-pay-later solutions

4.4

Account-to-account payment solutions

4.5

Cross-border payment solutions

04

~84% of merchants identified generating additional revenue after adopting Buy-Now-Pay-Later (BNPL) payment solutions

Additional revenue generated

84% of these merchants identified generating additional revenue as a result of using a BNPL solution

Of those who did, a majority saw a >15% increase in revenue as a result

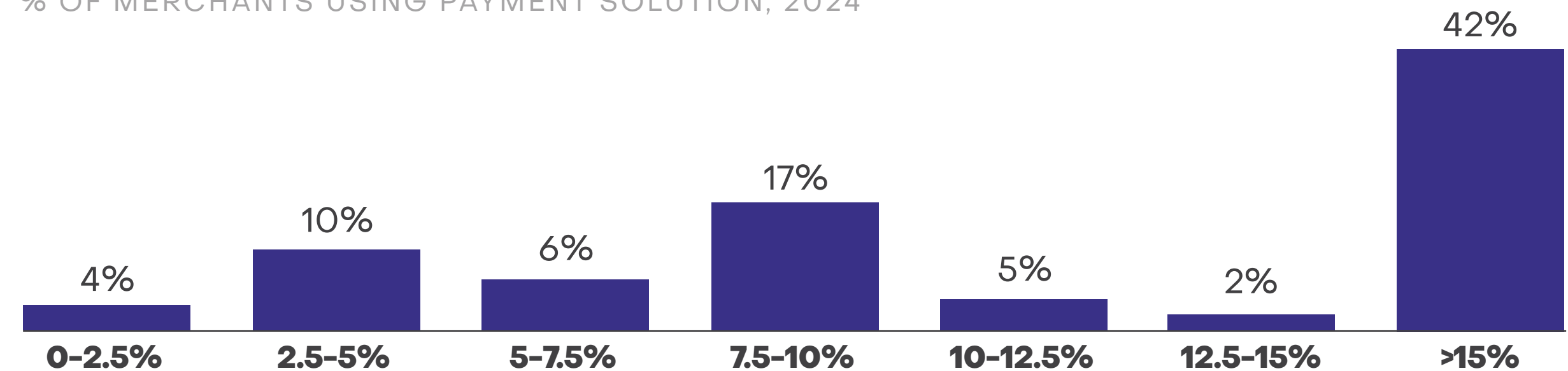
Cost savings realised

96% of these merchants identified saving cost as a result of using a BNPL solution

Of those who did, a majority saw a 0-2.5% cost saving as a result

ADDITIONAL REVENUE GENERATED FROM USING BNPL SOLUTIONS

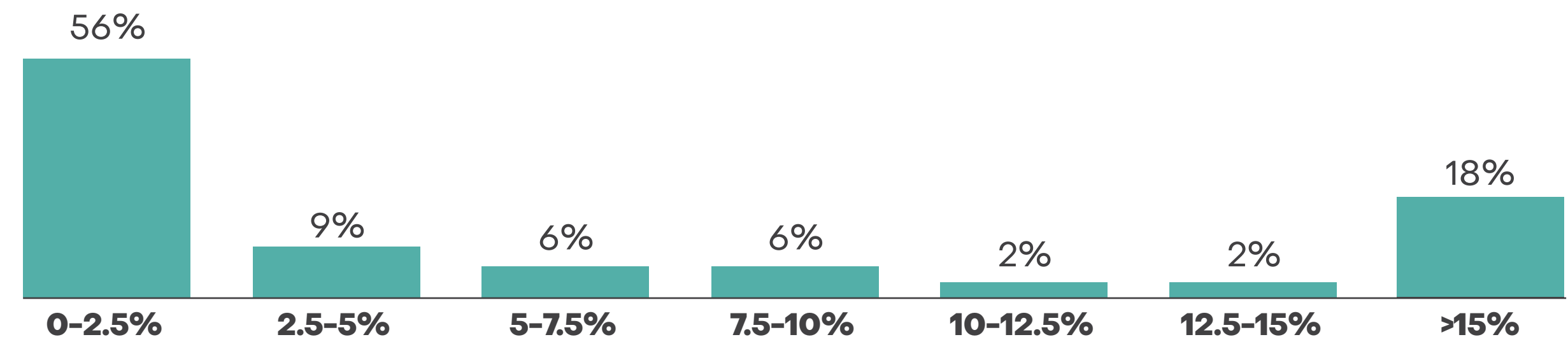
% OF MERCHANTS USING PAYMENT SOLUTION, 2024



7% of small businesses use BNPL payments solutions (e.g. Afterpay, Klarna, Zip etc.)

COST SAVINGS GENERATED FROM USING BNPL SOLUTIONS

% OF MERCHANTS USING PAYMENT SOLUTION, 2024



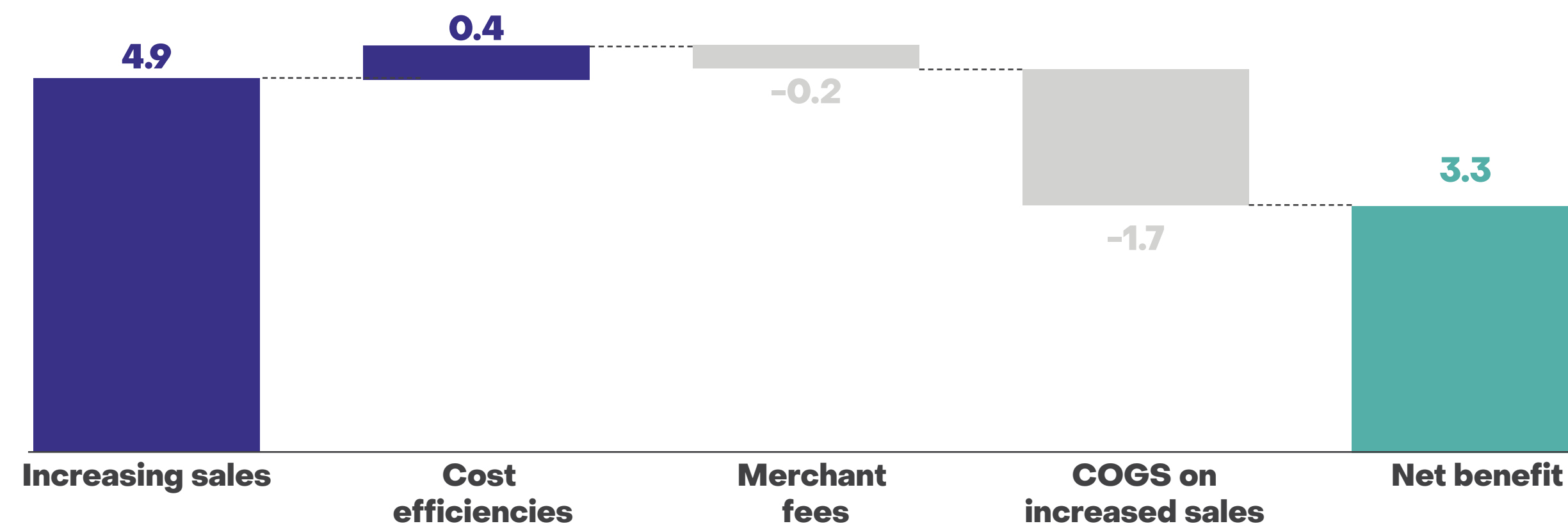
Sources: Mandala small business survey (2025); Mandala analysis.



Small merchants have accrued ~\$3.3bn in net benefits from adopting BNPL solutions

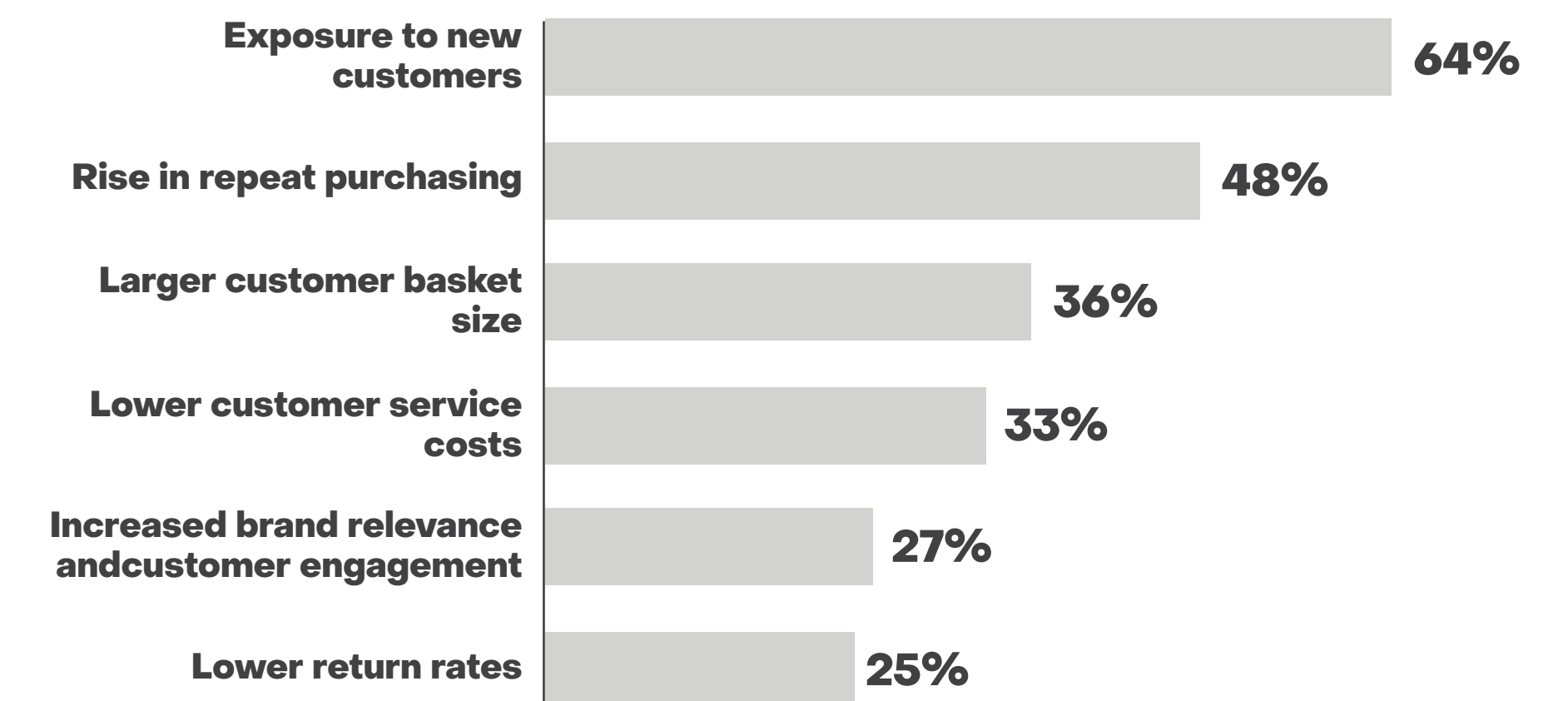
ECONOMIC BENEFITS FOR MERCHANTS USING BNPL SOLUTIONS¹

\$BN ACROSS ALL SMALL MERCHANTS, 2024



MERCHANT BENEFITS FROM ADOPTING BNPL SOLUTIONS

% OF MERCHANTS SURVEYED, 2024



8% average uplift for merchants who adopt BNPL payments solutions

84% of merchants reported generating additional revenue after adopting BNPL payments solutions

\$4.9bn generated as additional revenue across all merchants nationwide using BNPL payments solutions

96% of merchants reported cost savings from adopting BNPL payments solutions

\$0.4bn saved across all merchants nationwide from using BNPL payments solutions

Notes: 1. Calculated by applying average additional revenue and cost saving %, and applying that across the proportion of small merchants nationwide using the relevant payment solution
Sources: Mandala small business survey (2025); Mandala analysis.

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CASE STUDY

Luxury sustainability with Blue Spinach

Jane and Mark Thompson started Blue Spinach, a luxury consignment store, in 1996 to build on their experience in fashion, production and retail.

At the time, the resale industry was new in Australia and many customers had preconceived biases against buying second hand. "A lot of people who came in store didn't know it was second hand and would leave when they found out what it was."

Despite this, Jane and Mark built their brand and business over the last 27 years to become an industry staple. In 2023, Blue Spinach began a partnership with David Jones, selling products in-store and online.

Since joining, Afterpay has been an integral part of Blue Spinach's operation, ensuring quick transactions for buyers and sellers. Prior to Buy-Now-Pay-Later, layby was a major part of the consignment industry, requiring significant administration from sellers to follow up on payments and risk to client relationships if orders fell through.

If a buyer laybys a bag for 6 months, the seller is expecting that payment and if the buyer falls through midway it can be disappointing. Afterpay takes the stress away because each sale is instant, and sellers are not disappointed further down the track.

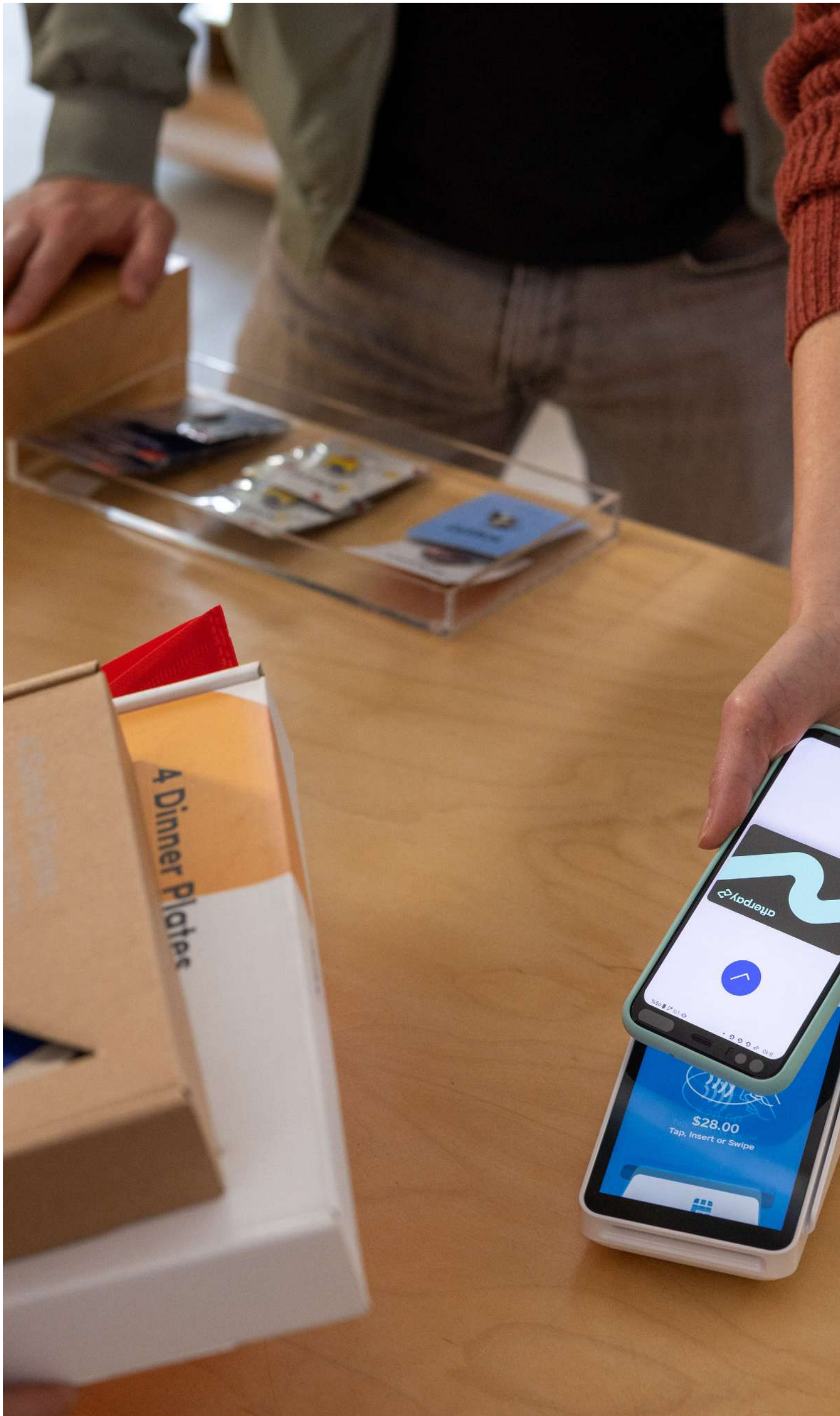
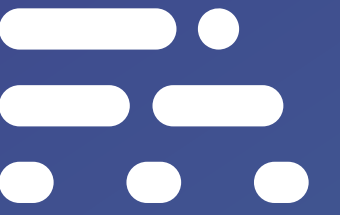
Scott McKenchie
Founder and Owner



Benefits of adopting BNPL:

Since joining, Afterpay has been an integral part of Blue Spinach's operation, ensuring quick transactions for buyers and sellers. Prior to Buy-Now-Pay-Later, layby was a major part of the consignment industry, requiring significant administration from sellers to follow up on payments and risk to client relationships if orders fell through.





04

Fintech payment solutions have delivered broad-based benefits across different use cases for small businesses

4.1

In-person payment solutions

4.2

Online payment solutions

4.3

Buy-now-pay-later solutions

4.4

Account-to-account payment solutions

4.5

Cross-border payment solutions

04

~33% of merchants identified generating additional revenue after adopting account-to-account (A2A) payments solutions

Additional revenue generated

33% of these merchants identified generating additional revenue as a result of using an A2A payments solution

Of those who did, a plurality saw a 0-2.5% increase in revenue as a result

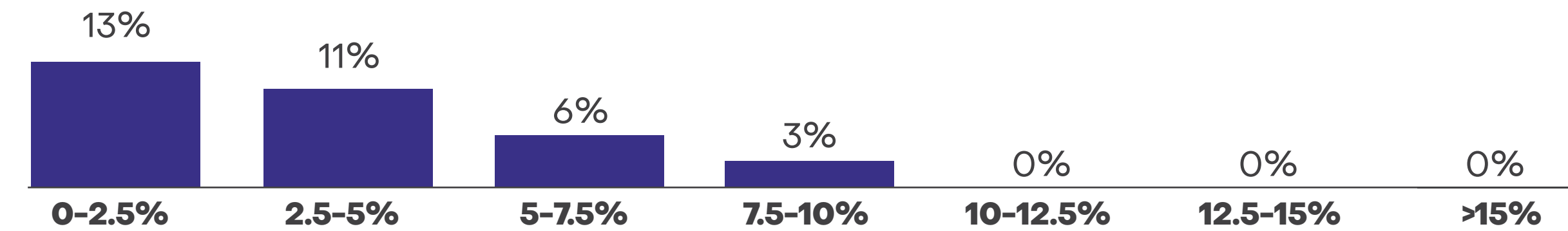
Cost savings realised

24% of these merchants identified saving cost as a result of using an A2A payments solution

Of those who did, a plurality saw a 0-2.5% cost saving as a result

ADDITIONAL REVENUE GENERATED FROM USING A2A PAYMENTS SOLUTIONS

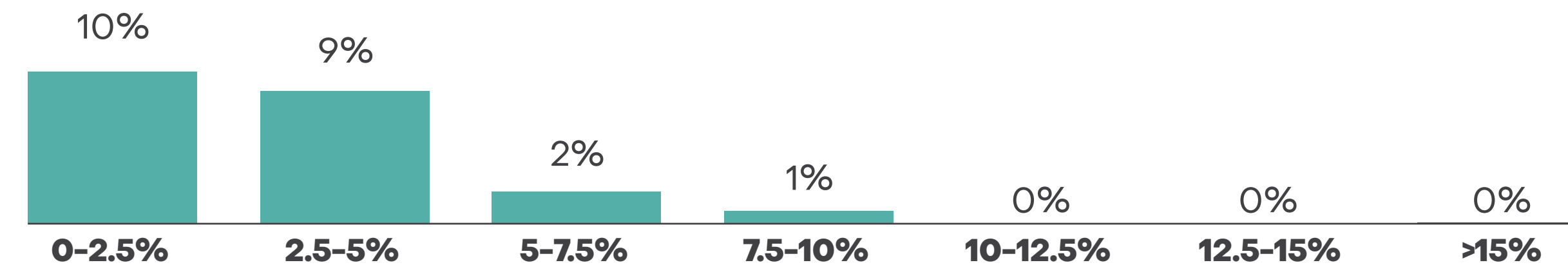
% OF MERCHANTS USING PAYMENT SOLUTION, 2024



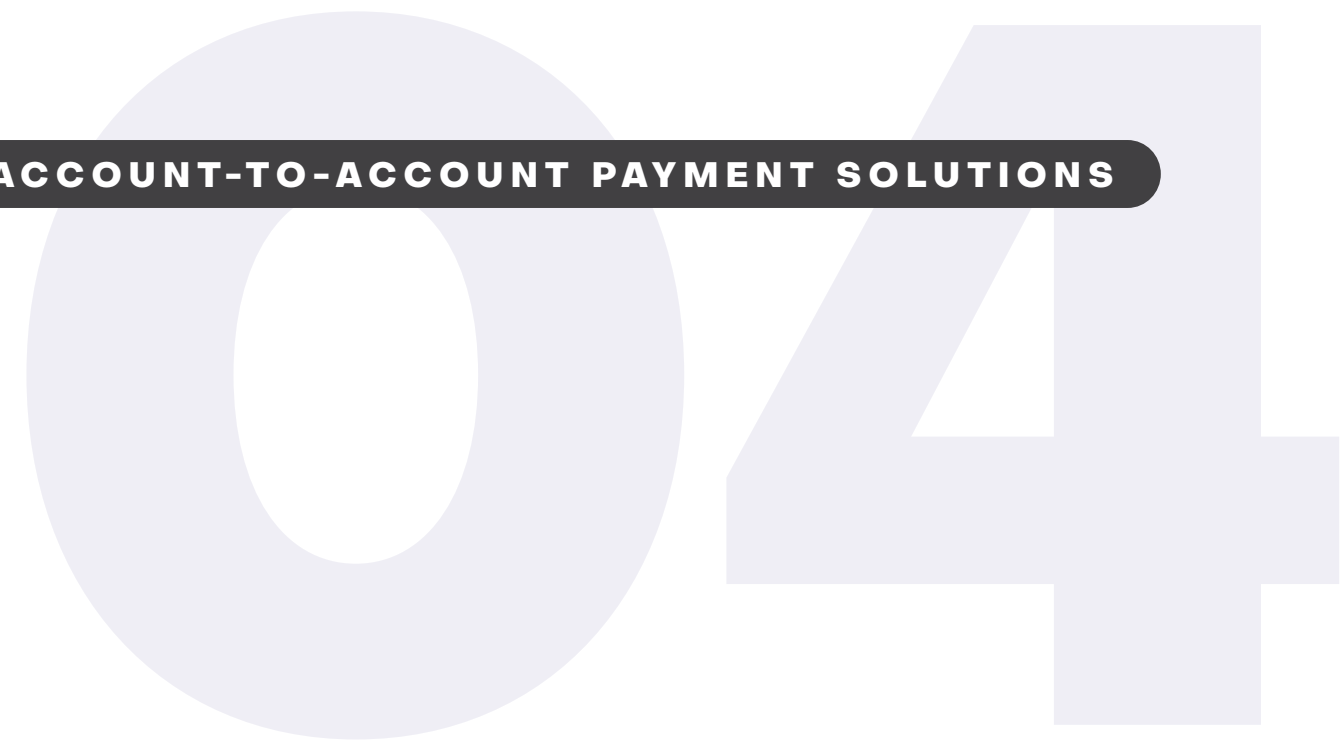
40% of small businesses surveyed use A2A payments solutions (e.g. EzyPay, PayID, Zepto etc.)

COST SAVINGS GENERATED FROM USING A2A PAYMENTS SOLUTIONS

% OF MERCHANTS USING PAYMENT SOLUTION, 2024



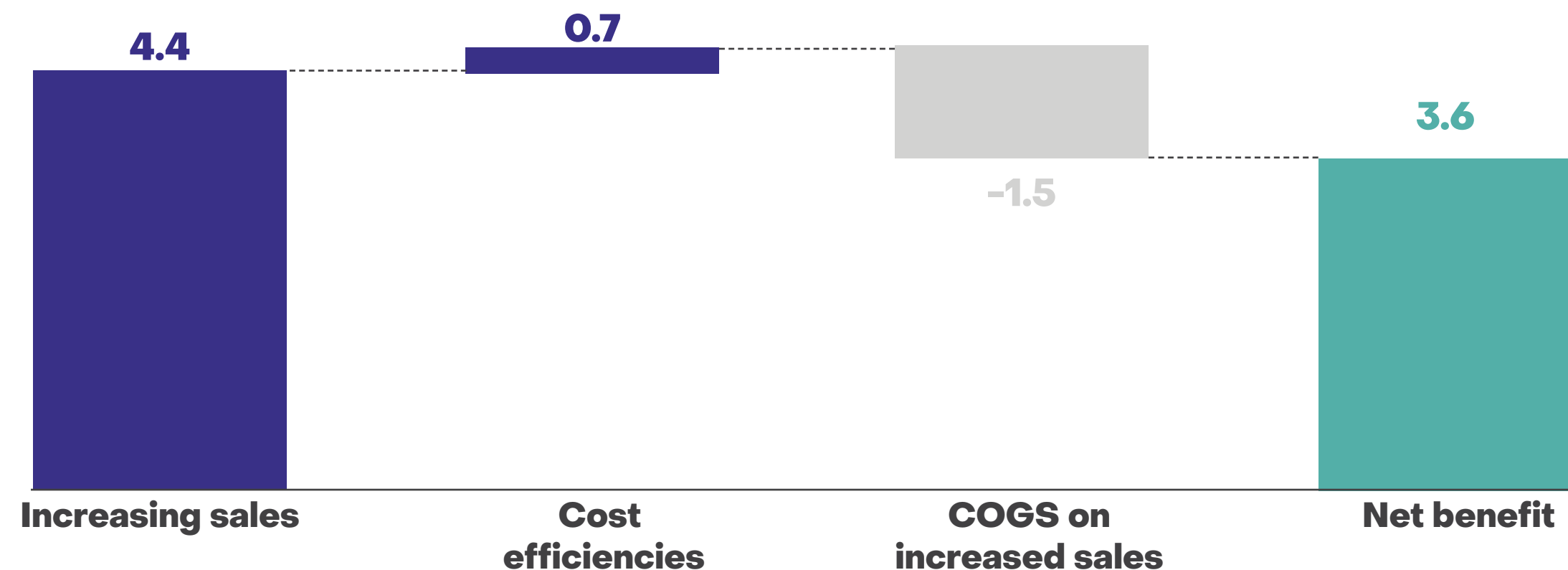
Sources: Mandala small business survey (2025); Mandala analysis.



Small merchants have accrued ~\$3.6bn in net benefits from adopting account-to-account (A2A) payments solutions

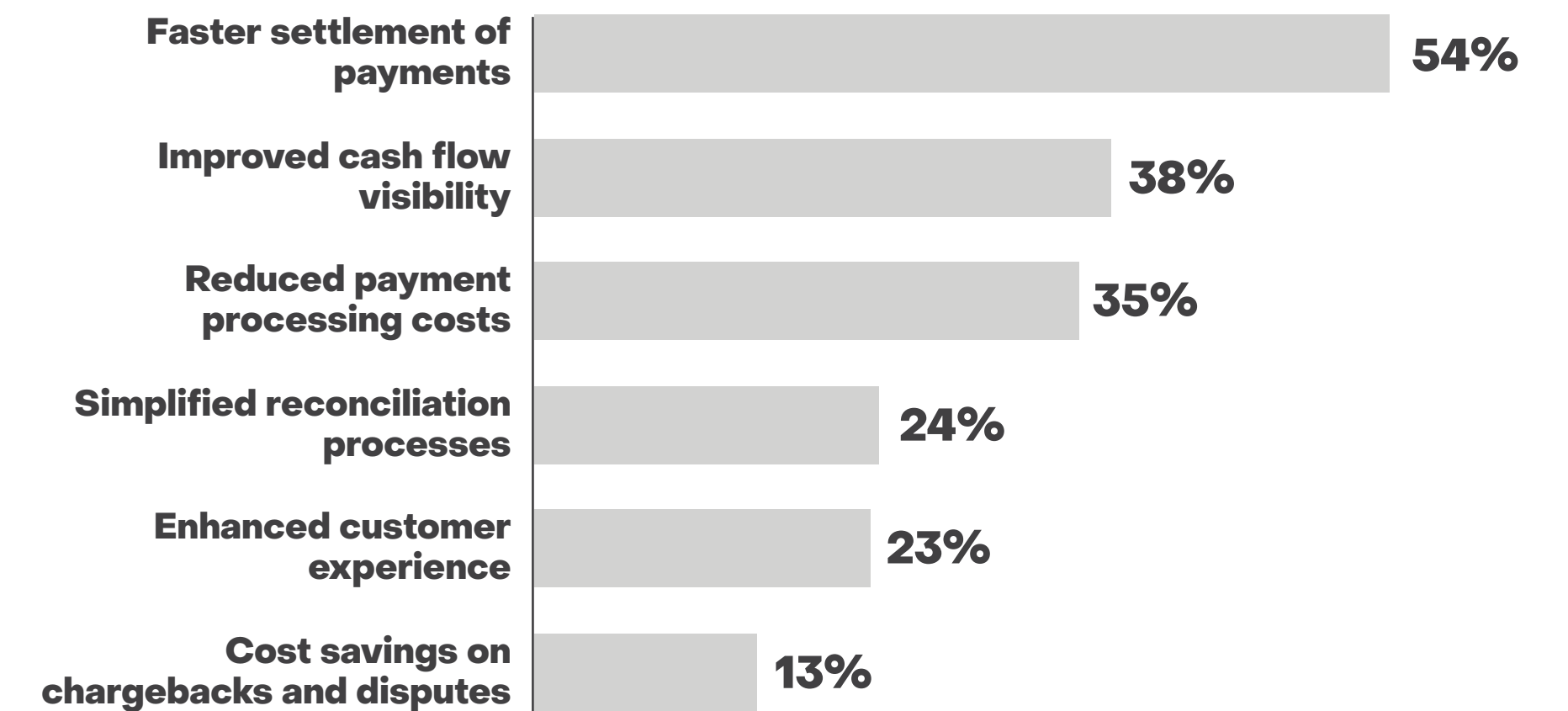
ECONOMIC BENEFITS FOR MERCHANTS USING A2A PAYMENTS SOLUTIONS¹

\$BN ACROSS ALL SMALL MERCHANTS, 2024



MERCHANT BENEFITS FROM ADOPTING A2A PAYMENTS SOLUTIONS¹

% OF MERCHANTS SURVEYED, 2024



1% average uplift for merchants who adopt A2A payment solutions

33% of merchants reported generating additional revenue after adopting A2A payment solutions

\$4.4bn generated as additional revenue across all merchants nationwide using A2A payment solutions

24% of merchants reported cost savings from adopting A2A payment solutions

\$0.7bn saved across all merchants nationwide from using A2A payment solutions

Notes: 1. Calculated by applying average additional revenue and cost saving %, and applying that across the proportion of small merchants nationwide using the relevant payment solution
Sources: Mandala small business survey (2025); Mandala analysis.

CASE STUDY

Australian gym group increases collection rates to above 90%

A prominent gym group in Australia was struggling with their incumbent payment facilitator. Payment collection rates were below 85%, and failed account-to-account bank transfers were not automatically retried.

Additionally, the process in place to recoup fees was manual and time consuming.

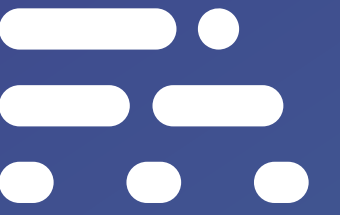
Ezypay worked on a solution for the gym group that reduced the need for manual work and improved direct debit processes, including automatic retries on the same invoice.



Benefits of adopting EzyPay:

Since adopting Ezypay, the gym group has seen collection rates increase to >90%. Ezypay's solution has also reduced the administrative burden of managing the group's account-to-account payments. This has saved the group time and money.





04

Fintech payment solutions have delivered broad-based benefits across different use cases for small businesses

4.1

In-person payment solutions

4.2

Online payment solutions

4.3

Buy-now-pay-later solutions

4.4

Account-to-account payment solutions

4.5

Cross-border payment solutions



~43% of merchants identified generating additional revenue after adopting cross-border payments solutions

Additional revenue generated

43% of these merchants identified **generating additional revenue** as a result of using cross-border payments solutions

Of those who did, a plurality saw a **2.5-5% increase in revenue** as a result

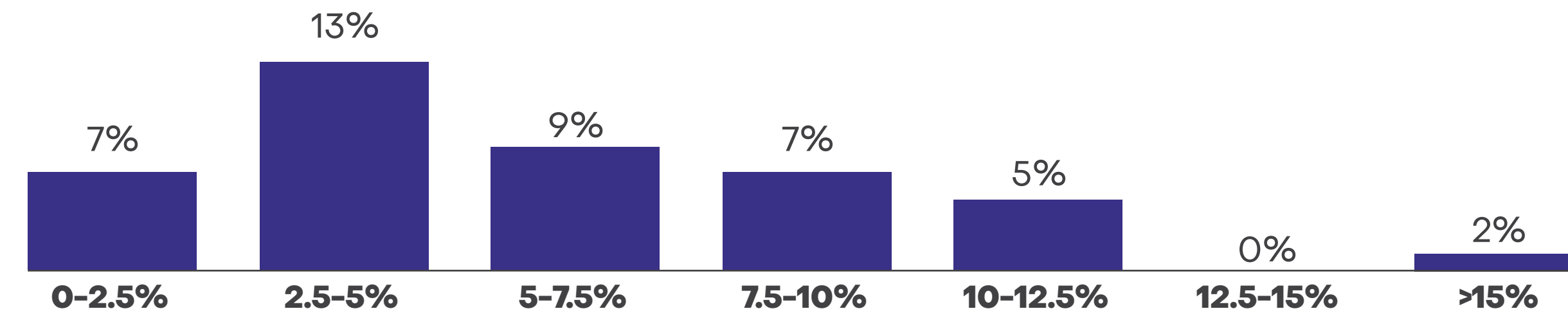
Cost savings realised

28% of these merchants identified **saving cost** as a result of using cross-border payments solutions

Of those who did, a plurality saw a **2.5-5% cost saving** as a result

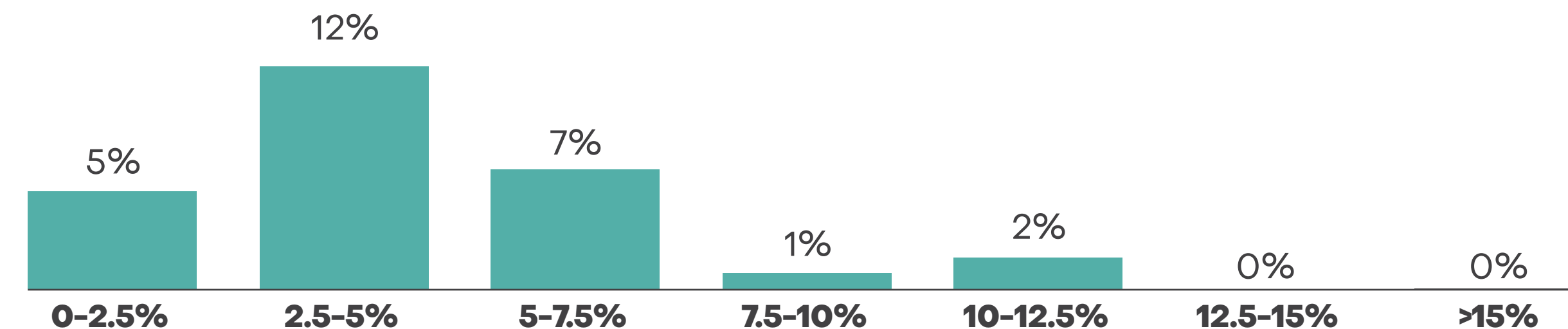
ADDITIONAL REVENUE GENERATED FROM CROSS-BORDER PAYMENTS SOLUTIONS

% OF MERCHANTS USING PAYMENT SOLUTION, 2024



COST SAVINGS GENERATED FROM USING CROSS-BORDER PAYMENTS SOLUTIONS

% OF MERCHANTS USING PAYMENT SOLUTION, 2024



21% of small businesses surveyed use cross-border payments solutions (e.g. Airwallex, PayPal, Revolut, Wise etc.)

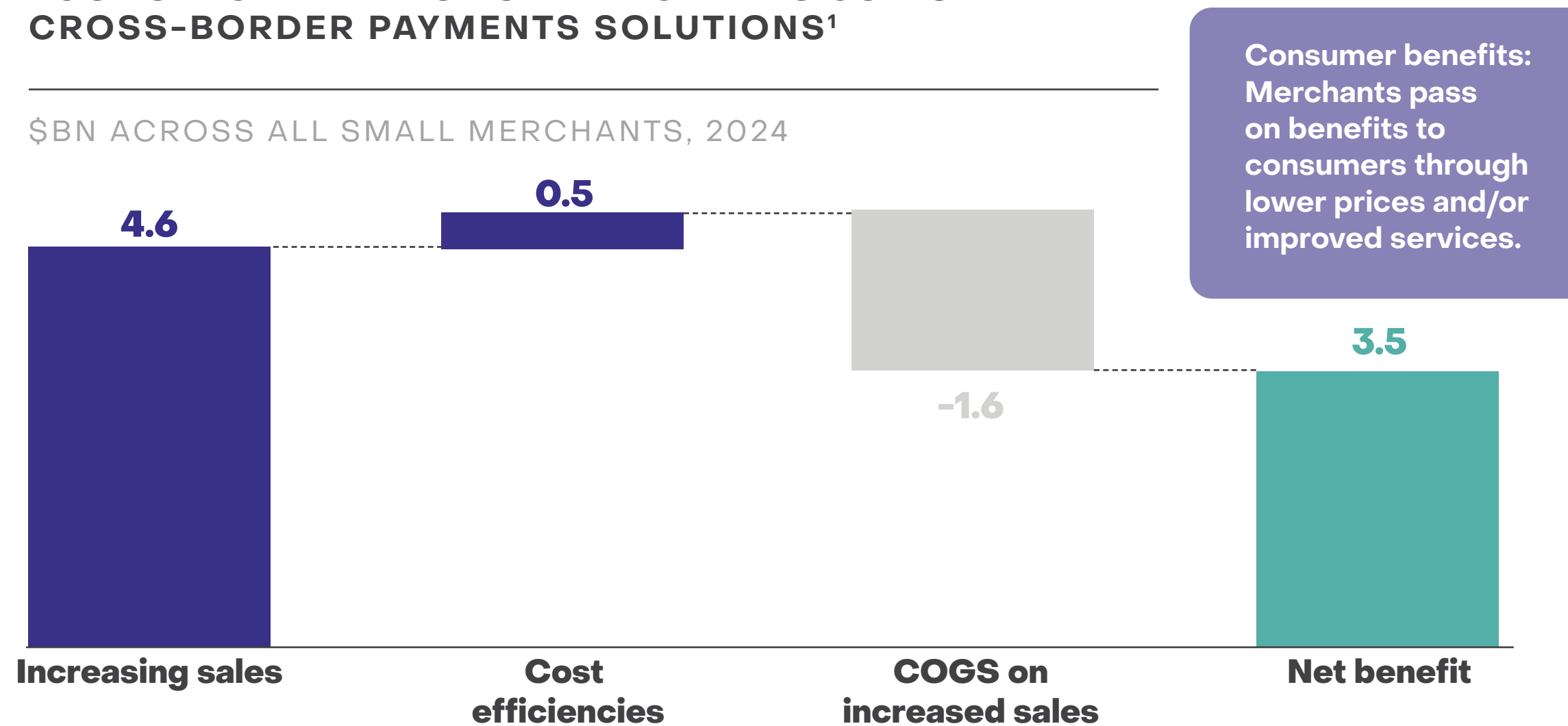
Sources: Mandala small business survey (2025); Mandala analysis.



Small merchants have accrued ~\$3.5bn in net benefits from adopting cross-border payments solutions

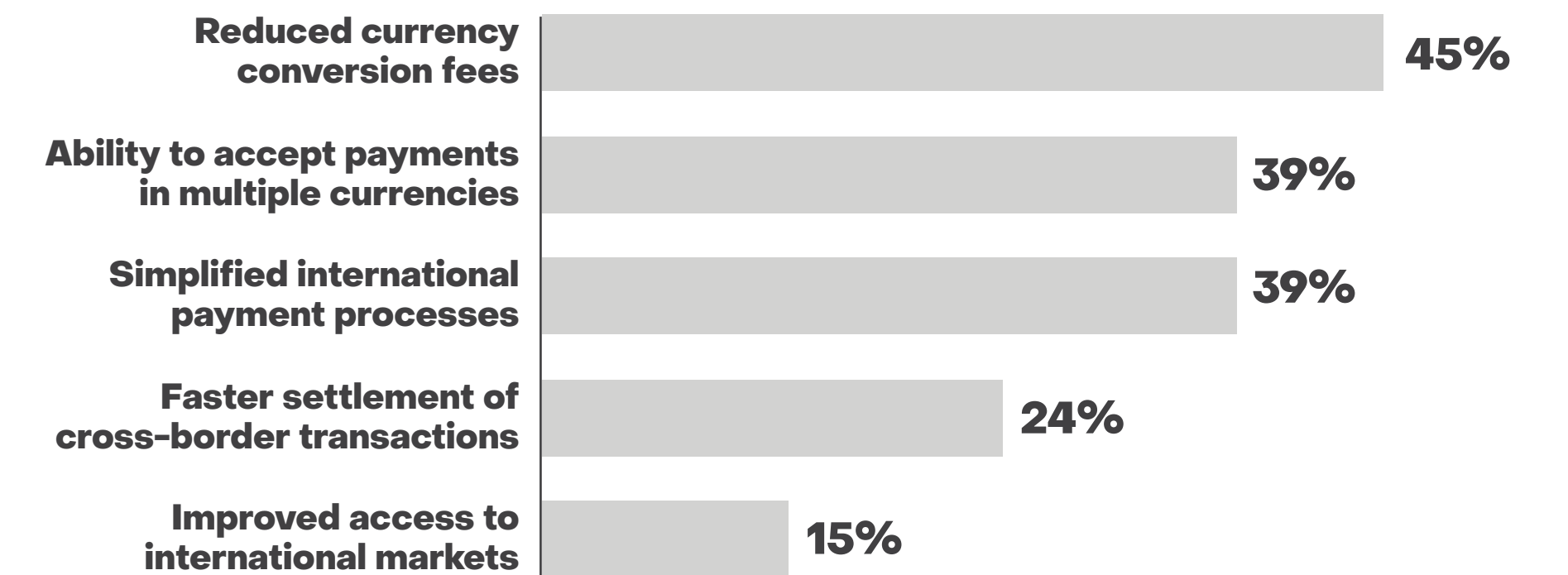
ECONOMIC BENEFITS FOR MERCHANTS USING CROSS-BORDER PAYMENTS SOLUTIONS¹

\$BN ACROSS ALL SMALL MERCHANTS, 2024



MERCHANT BENEFITS FROM ADOPTING CROSS-BORDER PAYMENTS SOLUTIONS

% OF MERCHANTS SURVEYED, 2024



3% average uplift for merchants who adopt cross-border payment solutions

43% of merchants reported generating additional revenue after adopting an cross-border payment solutions

\$4.6bn generated as additional revenue across all merchants nationwide using cross-border payment solutions

28% of merchants reported cost savings from adopting cross-border payment solutions

\$0.5bn saved across all merchants nationwide from using cross-border payment solutions

Notes: 1. Calculated by applying average additional revenue and cost saving %, and applying that across the proportion of small merchants nationwide using the relevant payment solution
Sources: Mandala small business survey (2025); Mandala analysis.

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CASE STUDY

Plerion secures financial fortitude with Airwallex Yield and FX

Plerion is an Australian startup with a mission to simplify cloud security.

The business is a result of an epiphany from the company's founder; "What if I could build a product that could help customers identify risks that really matter, instead of best practice. In mid-2023, the company raised USD\$10 million to support its rapid global expansion.



Benefits of adopting Airwallex:

With Airwallex's, Plerion unlocks a low 0.5-1% FX rate and fast, local transfers to 120+ countries.

Airwallex was able to help Plerion slash admin time and costs, as their traditional banking solution was charging higher transaction fees and "unfavourable rates".

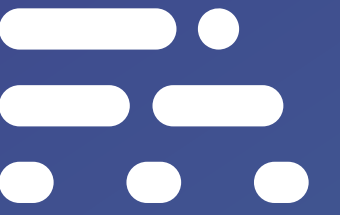


It's very convenient and as a start-up that is growing slowly, Airwallex is able to support those financial operational needs – making things more efficient and effective



Cynthia Cheung
Chief of Staff





01

Executive summary

02

Fintech has played a pivotal role in transforming Australia's payments system over the last decade

03

Fintech payment solutions have enabled small business growth through increasing revenue and decreasing costs

04

Fintech payment solutions have delivered broad-based benefits across different use cases for small businesses

05

Appendix

05

REFERENCES

Australian Bureau of Statistics (2024) Counts of Australian Businesses, including Entries and Exits – Businesses by main state by industry class by employment size ranges, available at: <https://www.abs.gov.au/statistics/economy/business-indicators/counts-australian-businesses-including-entries-and-exits/latest-release>

Australian Bureau of Statistics (2024) Counts of Australian Businesses, including Entries and Exits – Businesses by Main State by Industry Class by Turnover Size Ranges, available at: <https://www.abs.gov.au/statistics/economy/business-indicators/counts-australian-businesses-including-entries-and-exits/latest-release>

Nine News (2024) PayPal Australia used unfair contract term that allowed it to retain wrongly charged fees, court finds, available at: <https://www.9news.com.au/national/paypal-australia-used-unfair-contract-term-federal-court-determines/9056416d-690a-4766-9ffb-183b6193e985>

Fintech Australia (2024) private submission to the RBA Review of Merchant Card Payment Costs and Surcharging

Pureprofile (2024) Mandala small business survey

MANDALA SMALL BUSINESS SURVEY

Mandala commissioned a bespoke survey to support the quantification of the benefits of Fintech payment solutions for Australian small businesses. The survey, administered online by Pureprofile between December 2024 and January 2025, sampled 529 small businesses across Australia. Survey results were weighted against ABS data to ensure the sample was representative.

The ABS definition and categorisation of small business was used – Sole Traders: 0 employees; Micro Merchants: 1–4 employees; Small Merchants: 5–19 employees.

The survey sampled exclusively of small business owners and managers, and included both qualitative and quantitative questions pertaining to small business use of, and benefits derived from, Fintech payment solutions.

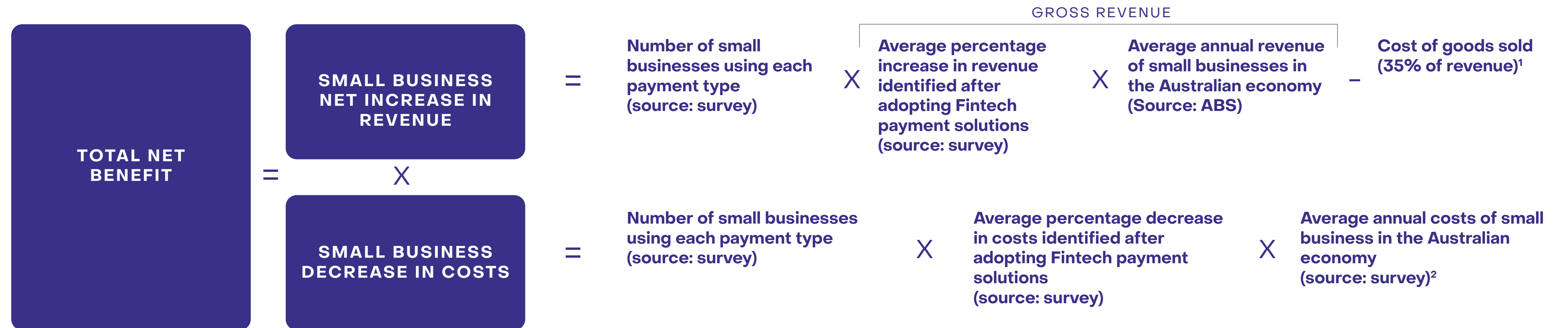
05

METHODOLOGY

NET BENEFIT TO AUSTRALIAN SMALL BUSINESSES FROM ADOPTING FINTECH PAYMENT SOLUTIONS

FIGURE

CALCULATION



Notes: 1. Average costs of goods sold for Australian small businesses (source: expert interviews); 2. Small business costs were adjusted using ABS data to ensure they are accurately representative.

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