

Press Coverage | January 25, 2024

Rivals May Chase Fiserv Special Bank Charter Lead

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James Stevens and Keith Barnett were quoted in the January 25, 2024 *Payments Dive* article, [“Rivals May Chase Fiserv Special Bank Charter Lead.”](#)

James Stevens, an Atlanta-based partner in Troutman Pepper’s financial services practice, echoed that sentiment. His firm has heard from legacy merchant acquiring companies in the past two weeks who are interested in applying for the charter, he said Monday. He also expects some companies are already working on applications.

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The move is likely “to be a game changer in fintech and payments,” said Keith Barnett, an Atlanta-based partner in Troutman Pepper’s consumer financial services group.

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That’s because the company was never granted membership access to card networks Visa and Mastercard, Stevens said. “Over the years, although people have looked at this charter and thought about it, there’s been no comfort level from anybody that would seek one of these charters that the card networks would allow those charters to join the relevant card networks,” Stevens said.

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In recent years, a host of fintechs have risen up, angling to serve their customers in more ways, and consumers and merchants have also become more comfortable receiving financial services from non-banks. “The card networks are seeing the wave of the future,” Barnett said.

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Fiserv’s application process is likely to take longer than most anticipate, Stevens said. “It’s going to be very difficult for people to get this charter, and to maintain it,” he said, noting the possibility of the company hiring new personnel and drafting policies and procedures.

If Fiserv receives the charter and gains access to the card networks, it could open the floodgates for other merchant acquirers, whom Stevens expects are watching the situation closely.

“Some people might go ahead and file while they’re still waiting to see what happens with this application, so that they’re not far behind,” he said of the state charter.

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