stripe

How to choose the right embedded payments partner

Platforms are transforming their business models with embedded payments and financial services, allowing them to better serve their customers, differentiate their business, and drive new revenue streams. We've seen this firsthand with platforms such as Shopify, Mindbody, Jobber, and 14,000 others that have used payments and financial products to allow customers to earn, store, manage, and move money without leaving their platform.

To successfully launch and grow an embedded payments business, platforms are increasingly recognising the need for a flexible, dynamic payments partner – one that can help them onboard businesses, mitigate risk, go to market faster, and expand globally. In other words, the right payments provider should not only support billing and subscription management for a platform's existing business, but it should also help a platform evolve its business model over the next five years.

Try out Stripe's solution

Create a Stripe account → Log in to the Stripe Dashboard → Toggle on "test mode" – we'll only run test data

In this guide, we've captured the most significant (and often overlooked) criteria you should include in your request for proposal (RFP) as you select an embedded payments provider.

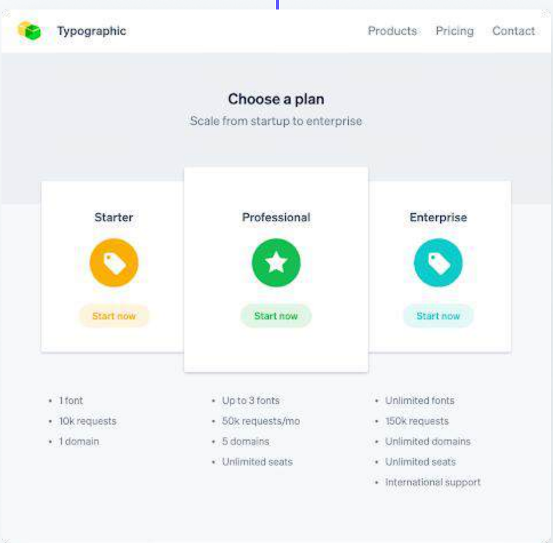
These are the questions our customers have told us they wish they had asked their previous providers (and which would have helped them avoid later switching payments providers, which is costly and time intensive). We'll also highlight embedded payments features from Stripe as a benchmark for other providers.

What's in this guide?

The path to monetising payments and financial services

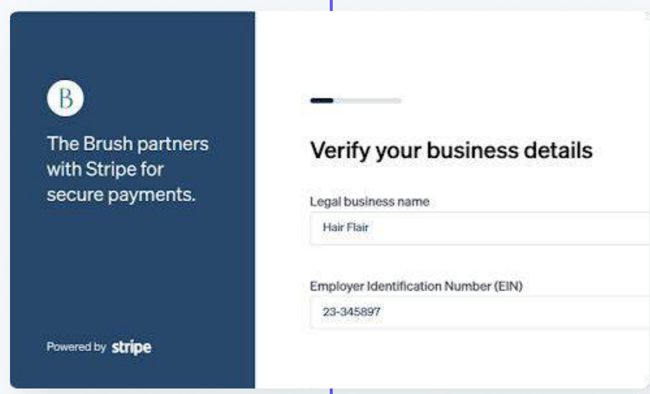
Embedded payments

Earn subscription revenue



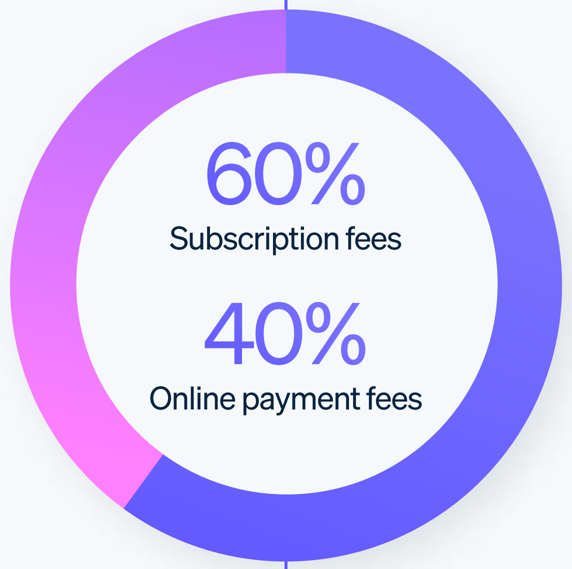
Generating recurring revenue from customer subscriptions for use of your primary software product

Add payments



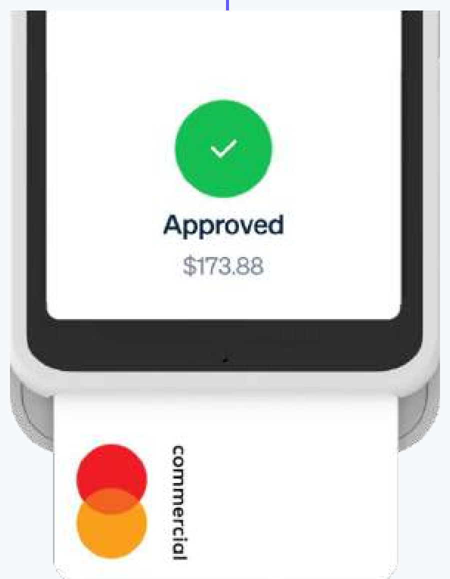
Facilitating payments (credit card, digital wallets, etc.) for your customers by exposing a third-party provider or by white-labelling your own payments offering

Earn payment revenue



Monetising access to online payment processing, earning revenue from payments typically through a revenue share model with your payments partner

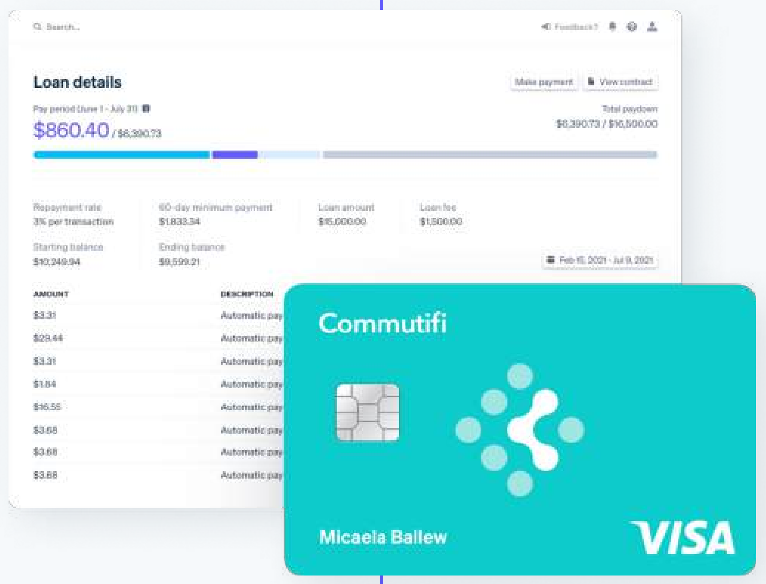
Extend payments offering



Capturing more volume from payments by adding and monetising integrated point of sale, recurring payments, faster payout options, and more

Embedded financial services

Add financial products and earn financial services revenue



Capturing more off-platform financial workflows by providing and monetising access to money management accounts, card programmes, financing, bill pay, and more

Onboarding users and adhering to compliance

The purpose of embedding payments into your SaaS platform is to enable customers to accept payments on their own, so it's key that you evaluate a provider's ability to help you offer the best experience possible.

Onboarding users onto your platform is an important first step in creating a positive user experience. The time it takes to get them from submitting their application, to completing their onboarding, to accepting payments from their first customer is foundational to the overall stickiness of your payments product. But onboarding is a massive undertaking that involves regulatory compliance, ID verification, and ongoing maintenance needs.

We have seen platforms take anywhere between 5–20 months to build the necessary compliance programmes into their onboarding flows, with an average maintenance cost of $300K–$500K annually as requirements change. These challenges only compound when you scale into new markets or launch new business models, and must account for local compliance requirements.

What user screening checks can the provider conduct?

→ **Stripe Connect onboarding** is a pre-built solution that minimises the need to build your own identity verification flows from scratch, handling:

- Know Your Customer (KYC) checks
- Anti-Money Laundering (AML) screening
- Prohibited business and risk screening
- MATCH (Member Alert To Control High-risk merchants) list checks
- Credit assessments

→ Additional screening:

- Bank account checks with **Financial Connections**
  - Authentication of identify information provided with **Identity**

Does the provider offer easy and fast onboarding that can be tailored to my branding?

→ Conversion-optimised onboarding flows, designed to maximise conversion on any device. These flows use lessons learned from 14,000 software platforms and over 9 million onboarded businesses to minimise user error and get them up and running faster.

→ Automatic updates to keep up with the latest global payment requirements – without any changes to your onboarding integration.

→ Continual testing and iterating on onboarding experience, so you can rely on a frictionless process to get more users signed up faster.

→ A range of options to onboard users, from pre-built (Stripe-hosted), optimised UIs (embedded components) or your own custom flows (API):

- **Co-branded hosted onboarding** for the fastest time to market
- **Embedded onboarding** component for a branded onboarding flow
- **APIs** for full control over your own UI

Does the provider offer visibility into the status of each of my users throughout the onboarding funnel?

→ Stripe Dashboard for platforms obtains a granular view for each user – with full visibility into the status of your accounts with any open risk, onboarding, or verification actions:

- Searchable list of issues
- Detailed description of requirements
- Routed support to a Stripe expert

→ Webhooks that help you programmatically access account status changes

→ APIs that check account status and obtain completed, upcoming, and past due requirements

Try Stripe's solution

→ Create a connected account to represent your user and explore co-branded hosted onboarding:

Create a connected account. Select the "custom" type.

Click on the newly created connected account and select "create an account link." This will create a temporary hosted onboarding experience.

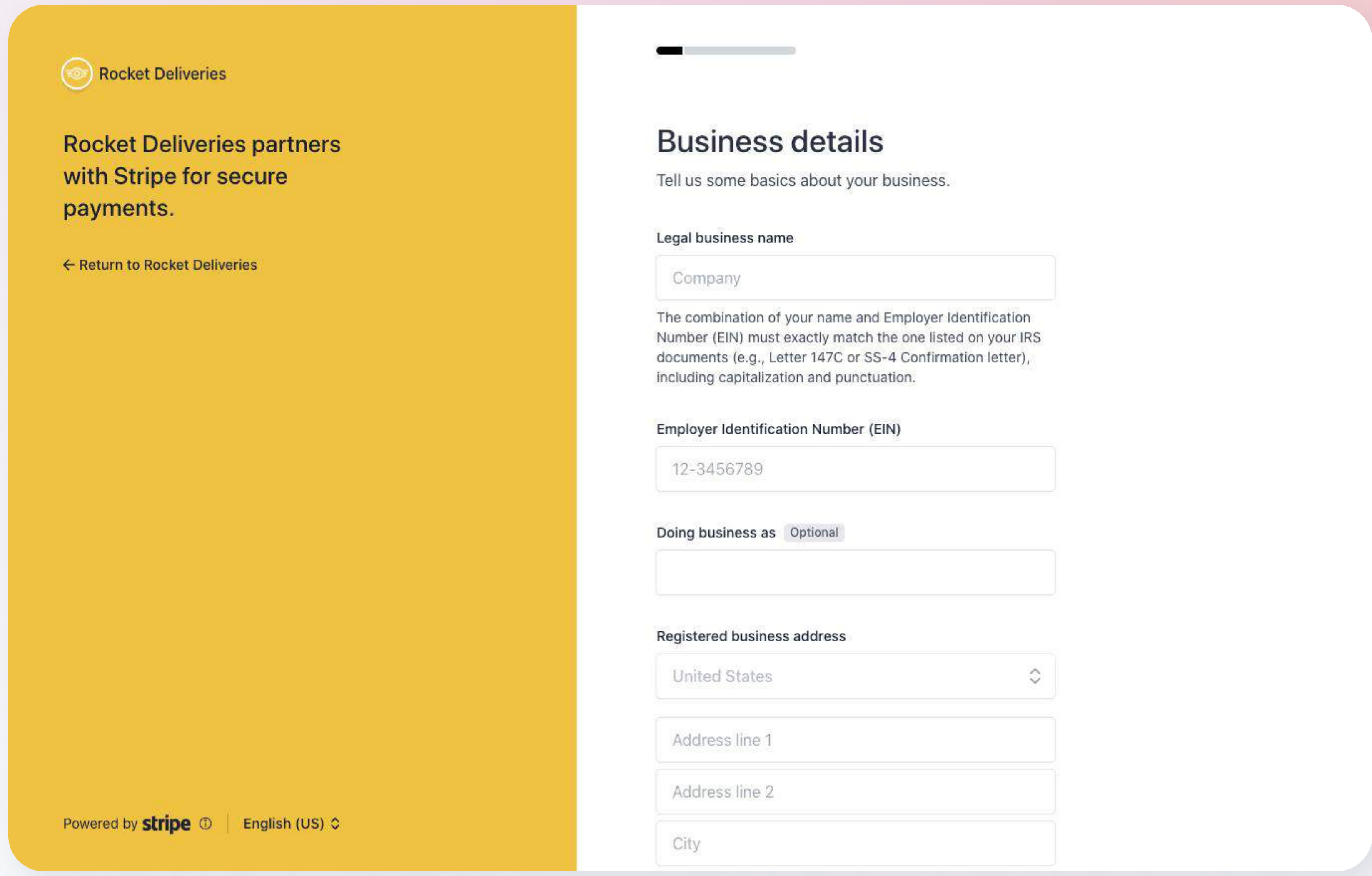
Go to Settings -> Connect Settings to customise your branding.

→ Explore embedded onboarding for your users:

- View an example of **embedded onboarding**.

→ Explore an API build:

- Build a test integration with our **APIs**.



*The hosted onboarding form in Stripe's sample integration, **Rocket Deliveries***

Managing merchant risk effectively

Managing risk is one of the most difficult parts of embedding payments into a platform business. Platforms are susceptible to both the risk posed to their business by the users they onboard, and the risk posed by the customers or cardholders who transact with those users. Fraud attacks, chargebacks, or other unforeseen circumstances might result in unrecoverable negative balances for users – for which the platform is usually liable.

As a result, one of the key decisions you'll need to make when choosing a provider for your platform is whether you want to manage risk on your own, or pay for user risk management. Ideally, your provider offers both options, so that you can offload and onload risk depending on your payments maturity and available resources.

Does the provider give me the choice to own or offload risk management?

Get a range of options to manage risk, from platform-hosted to Stripe-managed risk:

- Platform-managed for complete control and ownership over risk
- **Stripe Managed Risk** for a full-service solution that protects your platform by managing risk and covering any negative balances on your connected accounts

Does the provider enable me to embed risk management features into my own product?

If using Stripe Managed Risk, and your users don't have access to a Stripe-hosted Dashboard, you can **embed three components** – account onboarding, account management, and notification banner – which enable Stripe to provide:

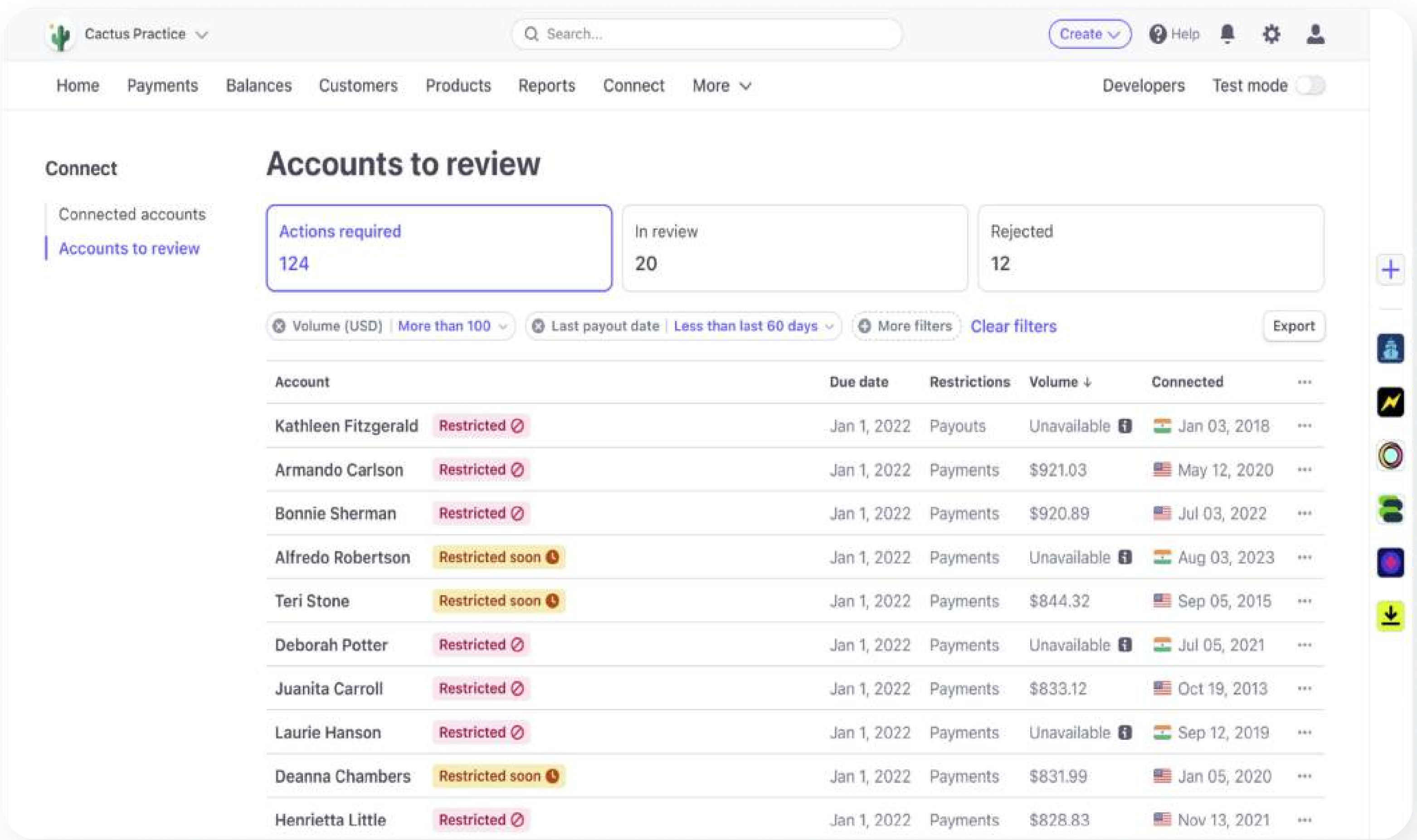
- Ongoing monitoring and detection of users' credit, fraud, and supportability risk
- Risk interventions to ensure business supportability and prevent losses
- Co-branded emails and embedded notifications to inform businesses of interventions
- Embedded forms to respond to and remediate interventions
- Stripe risk operations to review user information and make risk decisions
- Stripe liability for negative user balances

Does the provider offer flexibility to take on responsibility for negative user balances? If so, what does this cover?

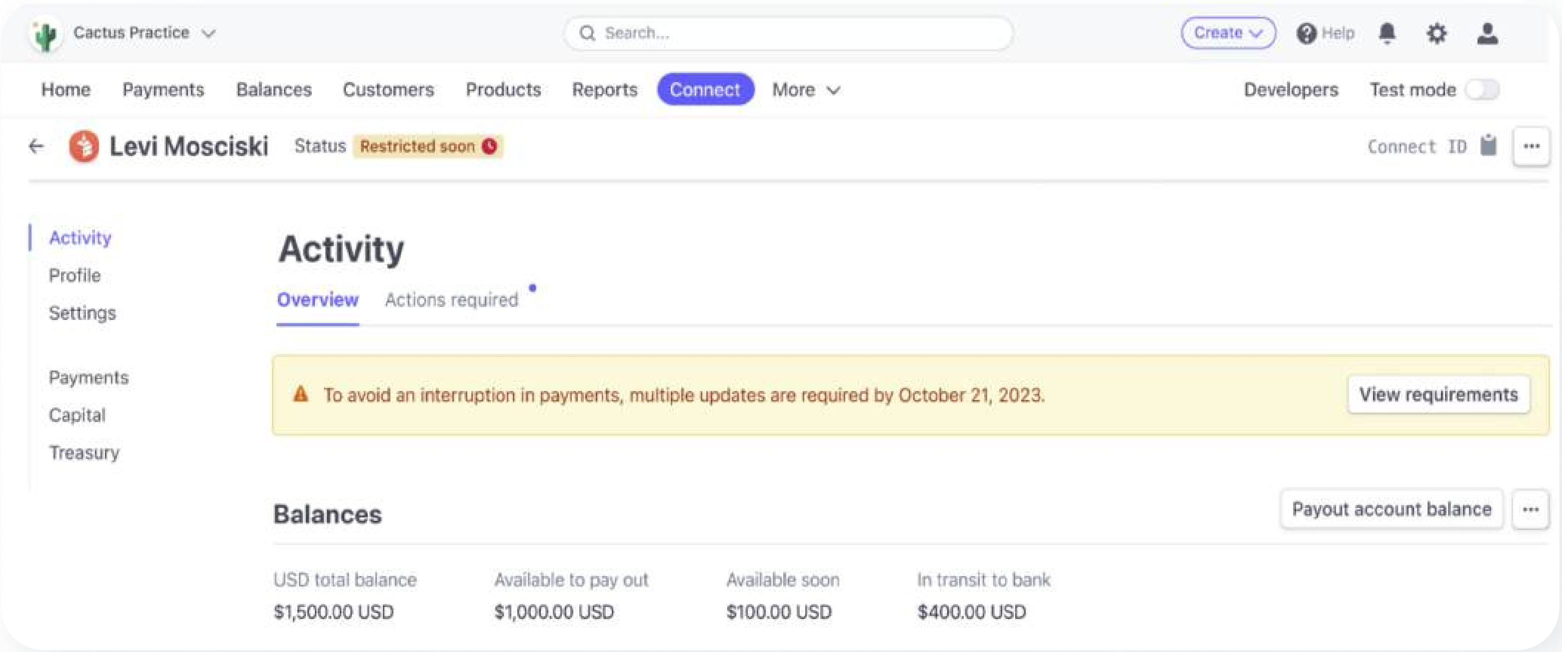
Stripe Managed Risk:

- Offers responsibility for handling negative user balances that might arise from credit and transaction risk
- Covers all unrecoverable negative user balances, except those that arise from platform fraud or breach of terms
- Offers full loss liability by default – competitors typically offer partial-to-full or limit their liability with caps, which allows them to price their risk offerings lower

Stay ahead of merchant restrictions



Searchable list of merchant restriction issues from your Stripe Dashboard



Detailed description of requirements to restore or prevent restrictions

Does the provider offer support with its risk management service, or will I need to train a support team to service risk issues?

→ Stripe Managed Risk provides risk operations support directly, with loss prevention intervention and risk operations support for users directly accessible via your Stripe Dashboard – or alternatively, through embedded component interfaces for a white-labelled feel.

Does the provider offer tools to manage user risk if I decide to take on loss liability?

→ **Merchant risk tooling** helps your risk teams prevent, detect, and mitigate risks posed by your users – with features to help you:

- Review signals, leveraging Stripe insights to identify potentially fraudulent businesses that might be operating on your platform
- Simplify risk assessments with the ability to request additional information, including docs and selfies to verify the identity of any users
- Restrict suspicious accounts, pausing charges or payouts programmatically with the new risk controls API or via the Stripe Dashboard

→ **Identity** and **Financial Connections** to help verify bank account ownership

→ Ability to debit a negative balance

Does the provider offer tools to manage transaction risk?

→ **Stripe Radar** offers transaction risk management in addition to smart detection and prevention rules when integrated directly with Stripe Payments.

→ Stripe processes payments from 197 countries for every industry, company size, and business model. Even if a card is new to your business, there's a 91% chance it's been seen before on the Stripe network.

→ You can write **rules** with Radar for Fraud Teams to manage your own custom logic.

Try Stripe's solution

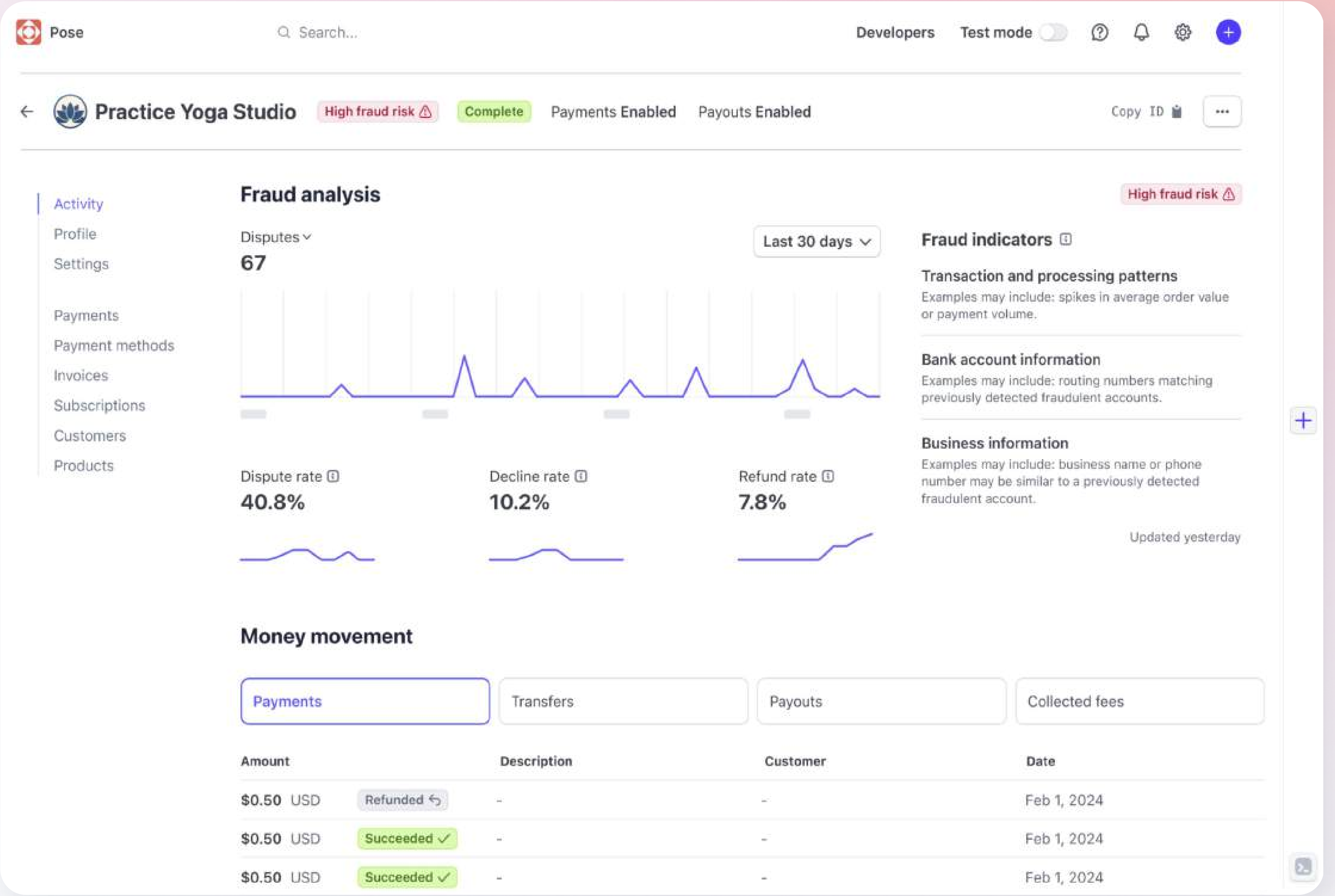
→ Explore the **managed risk** offering in-depth.

→ Learn about current and upcoming **embedded components**.

→ Identify fraud in account charges using the **Radar** integration.

→ Learn how **Stripe Identity** handles sensitive user data.

→ Explore how Stripe handles sensitive financial data using **Financial Connections**.



Stripe tools to prevent and manage merchant risk

Simplifying money movement

Once users are able to accept payments, they will need to be able to receive payouts. It’s important that payout control, speed, currency, and methods match your distinct business needs, geographical footprint, and user preferences to offer a positive experience.

Does the provider allow me to control the payout timing, currency, speed, and methods available for my users?

→ Set automatic or manual payouts, and schedule payout timing to fit your user needs.

→ Control default payout timings for users, with users being able to adjust from defaults based on the nature of the integration.

→ Provide alternative currency payouts for users and determine settlement currency.

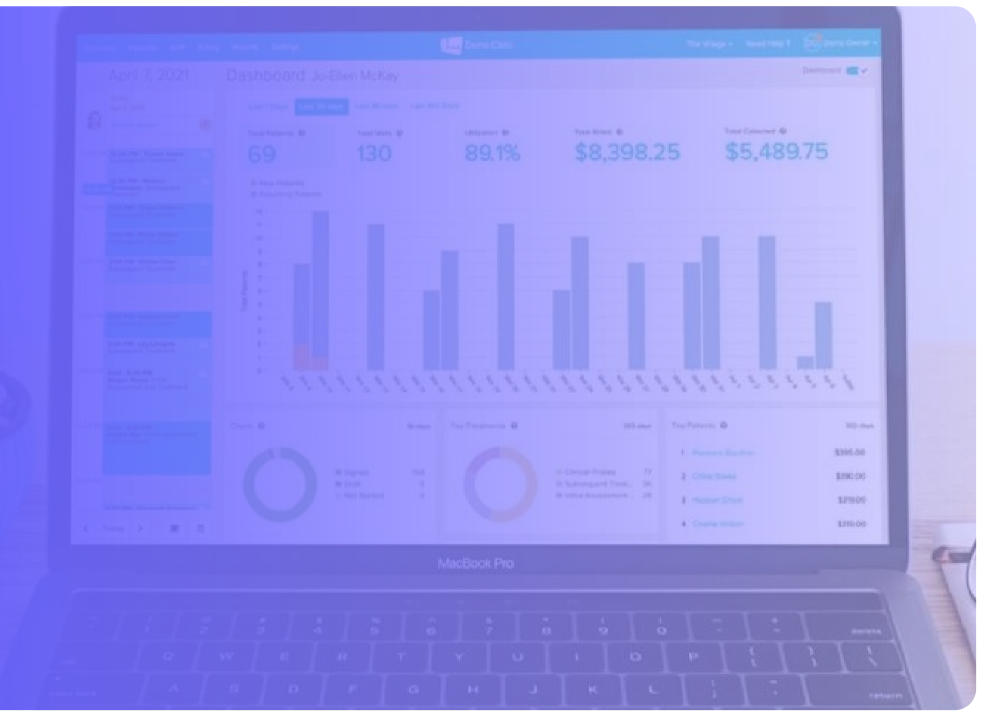
Does the provider allow me to provide instant access to funds with clear eligibility and pricing capabilities?

→ Offer **Instant Payouts** directly to users through their dashboard or through APIs, set eligibility logic, and charge fees if desired.

Does the provider allow me to transfer funds from my user's balance back to my platform's balance, to handle disputes, refunds, or other fees from the user?

→ Users are given a balance on Stripe. The platform can debit the balance to pay for fees associated with the payment transactions, such as disputes and refunds.

> " When it's time to cut pay cheques and complete payroll, the difference between hours or days makes a big difference in their cash flow needs. Instant Payouts is one of those things the old model couldn't do. Stripe's modern way of real-time everything makes it possible. It's so intuitive for a user to receive their money that way."
>
> **Trevor Johnston**, Co-CEO, Jane



Try Stripe's solution

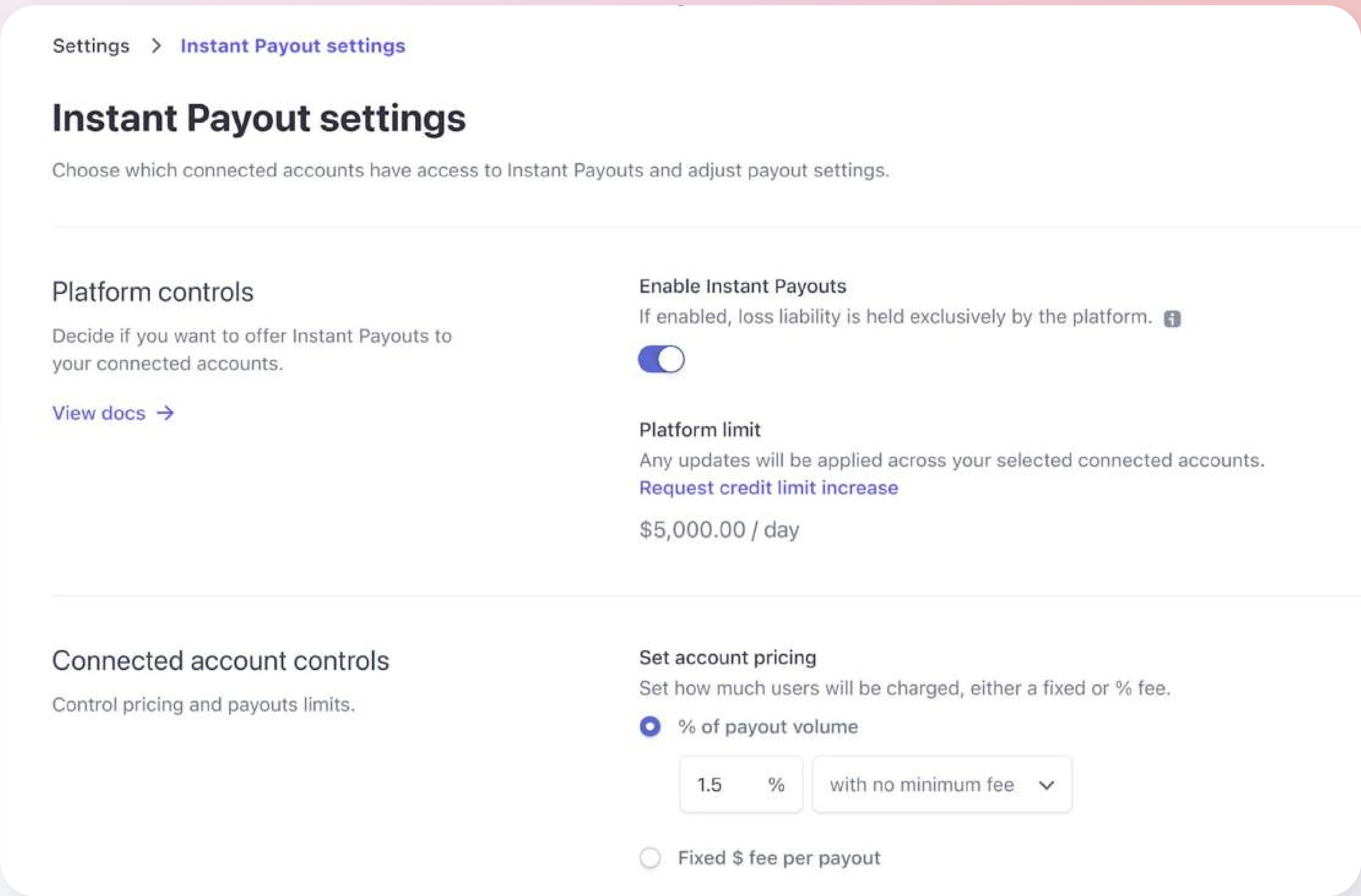
→ Review Stripe's **payout capabilities** and the level of granularity for your use case.

→ Explore embedded payout components for your users:

- View an example of **embedded payouts**.

→ Explore **Instant Payouts** to offer your users instant access 24/7.

→ Try an **Instant Payouts integration**.



Enable your users with faster access to earnings using Instant Payouts.

Improving user experiences

In addition to enabling users to accept payments and perform payouts, you need to equip them with the visibility and tools to independently view and manage fund flows. Those transactions have a full lifecycle that requires ongoing communication with users. As a platform embedding payments, you'll also need to provide updates on upcoming requirements, the success or failure of transactions, the status of payouts, and any other key actions that the user should be aware of.

Questions to evaluate providers’ workflows for your users

Does the provider allow my users to view balances, see transactions, and gain visibility into each payment?

- Get up and running quickly with a Stripe Dashboard at little to no engineering cost.
- Access embedded components that help you build integrated, white-labelled experiences with a fraction of the effort of building common workflows from scratch.
- Access APIs for balance and payments, which you can use to design your own experiences.

Can the provider enable my users to manage disputes and refunds?

- Manage disputes and refunds directly in a Stripe Dashboard.
- Manage disputes and refunds from an embedded payment details component.
- Use APIs for disputes and refunds to construct a custom flow.

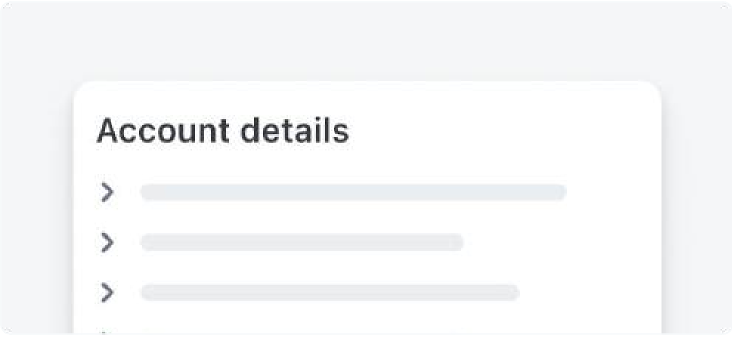
Does the provider allow my users to adjust payout settings and see the details of each payout?

- View and manage payouts directly in the Stripe Dashboard.
- Manage payouts from an embedded payouts component.
- Access APIs for payouts and balances.

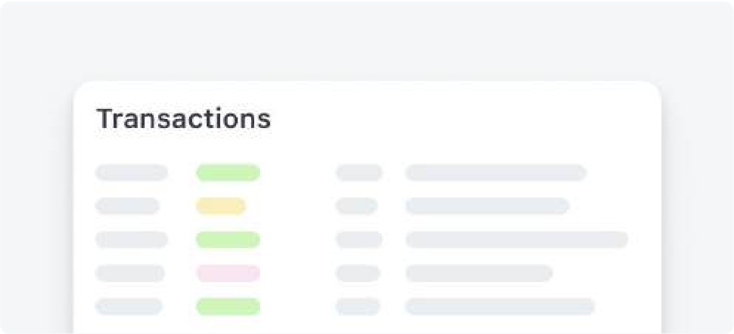
Can the provider enable my users to manage sensitive account information such as legal entity, address, and bank account information?

- Manage account information directly in a Stripe Dashboard.
- Manage account information from an embedded account management component.
- Access APIs for account information.

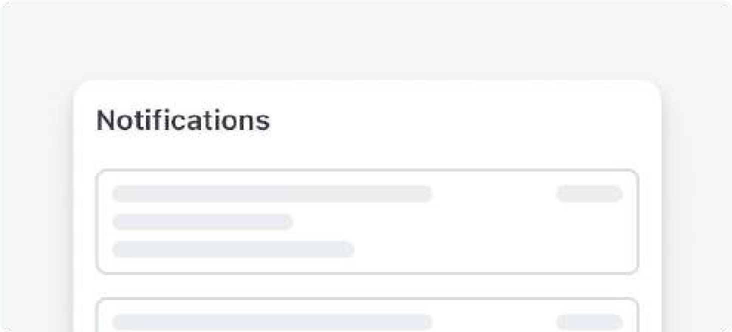
Embed useful workflows for users



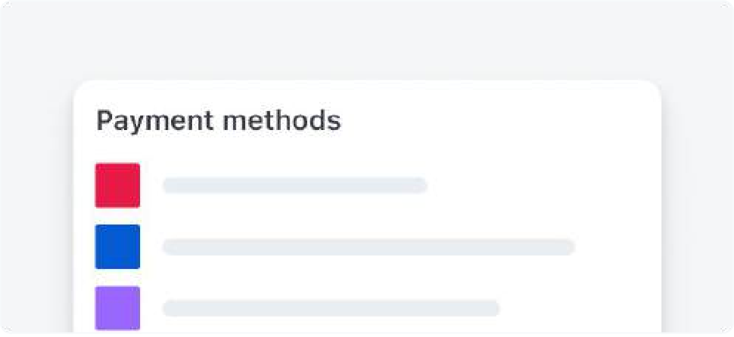
Account management: Show account details and allow them to be edited.



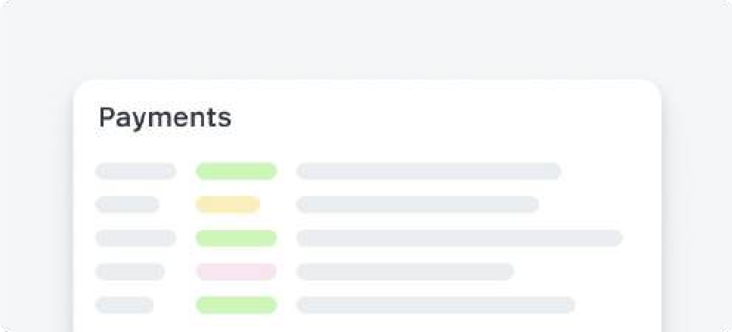
Financial account transactions: Show a table of all transactions for a financial account.



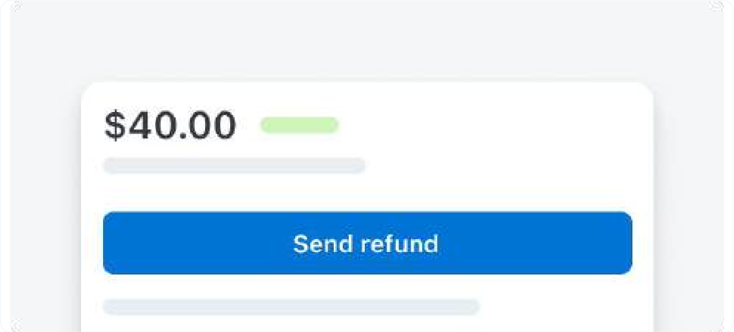
Notification banner: Show a banner that lists required actions for risk interventions and onboarding requirements.



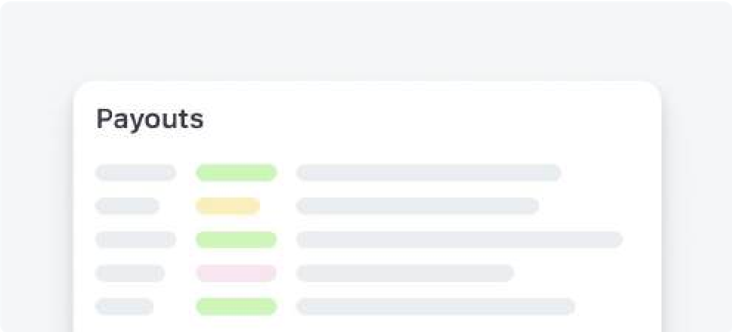
Payment method settings: Show a list of payment methods that your users can manage and accept.



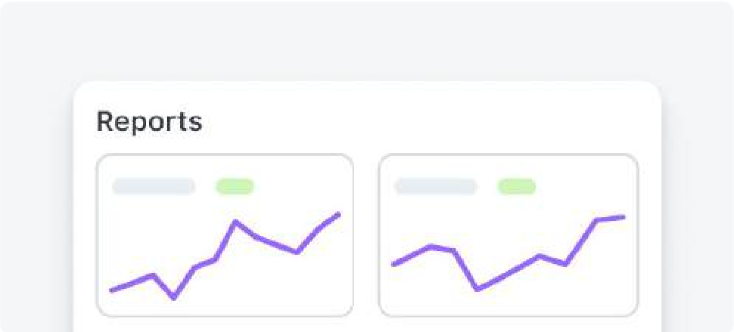
Payments: Show a list of payments with export, refund, and dispute capabilities.



Payment details: Show details of a given payment and allow users to manage disputes and perform refunds.



Payouts list: Show payout information and allow your users to perform payouts.



Reporting chart: Show charts to your users.

Does the provider allow my users to manage their own customers?

- → Manage customer information directly in a Stripe Dashboard.
- → APIs for creating and managing customers.

Does the provider give my users a unified view of their customers and transactions?

- → The Stripe Dashboard is available to your platform's users, enabling them to:
  - See analytics and charts about business performance
  - View payments, balances, customers, billing, and other products
  - Manage their business information and account settings
  - Handle disputes, refunds, and chargebacks
  - Download reports

Can the provider provide transparency on communications?

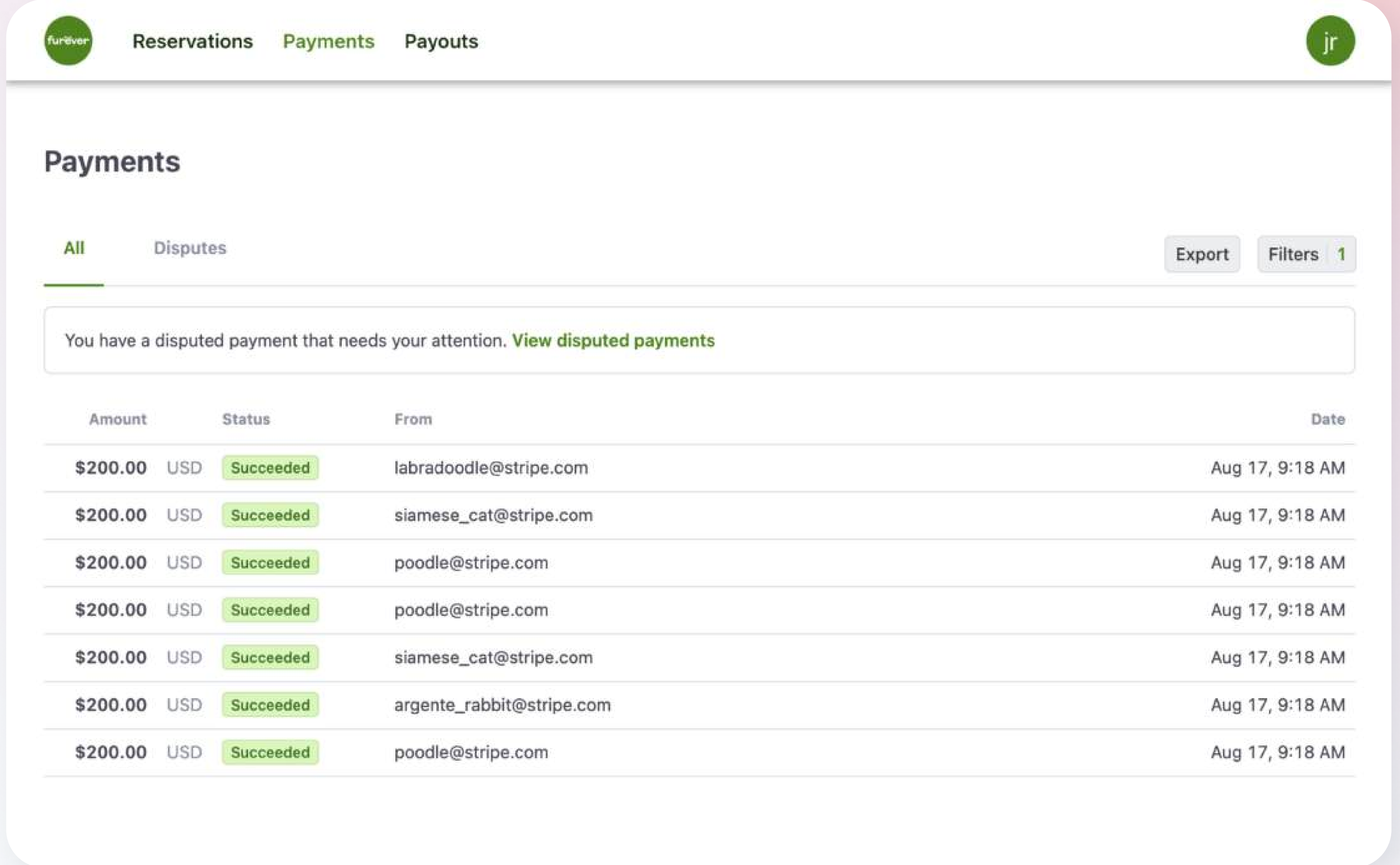
- → Stripe offers webhooks for a wide array of events from payment statuses, refunds, disputes, payouts, balances, accounts, and more.
- → Access the ability to review compliance and risk emails on the Stripe Dashboard.

Can the provider send emails on my behalf and allow me to brand them?

- → Access the ability to co-brand emails being sent to users.
- → For Standard or Express integrations, Stripe handles all communications directly for the platform with no need to build in custom emails.

Try Stripe's solution

- → On your platform Dashboard, in test mode, create another connected account:
  - On the Connect tab, create a new connected account.
  - Now, click on the account and select "View Dashboard as" to see the Stripe Dashboard experience.
- → Experiment with **embedded components** to build your own embedded dashboard:
  - View an example of embedded components on **Furever's website**.
- → Review a list of all event types for webhook events that you can create for users:
  - **Stripe API reference – types of events**



Bring payment workflows directly into your platform using optimised UIs.

Optimising your payments strategy

After launch, as your payments business matures, you'll want to think about enhancing your payments blend and encouraging lower-cost methods. You should also consider custom pricing that matches the payments blend you want to refine. Additionally, you'll need reporting and data exports to be able to conduct proper accounting and revenue recognition.

Does the provider offer reporting and analytics on my performance? Does the provider enable me to do revenue recognition easily?

- Access reports on connected accounts, transactions, and fees with easy exports.
- Write custom queries and generate your own reports with **Stripe Sigma**.
- Export data directly into your own analytics warehouse with **Data Pipeline**.
- Automatically recognise GAAP revenue with **Revenue Recognition**.

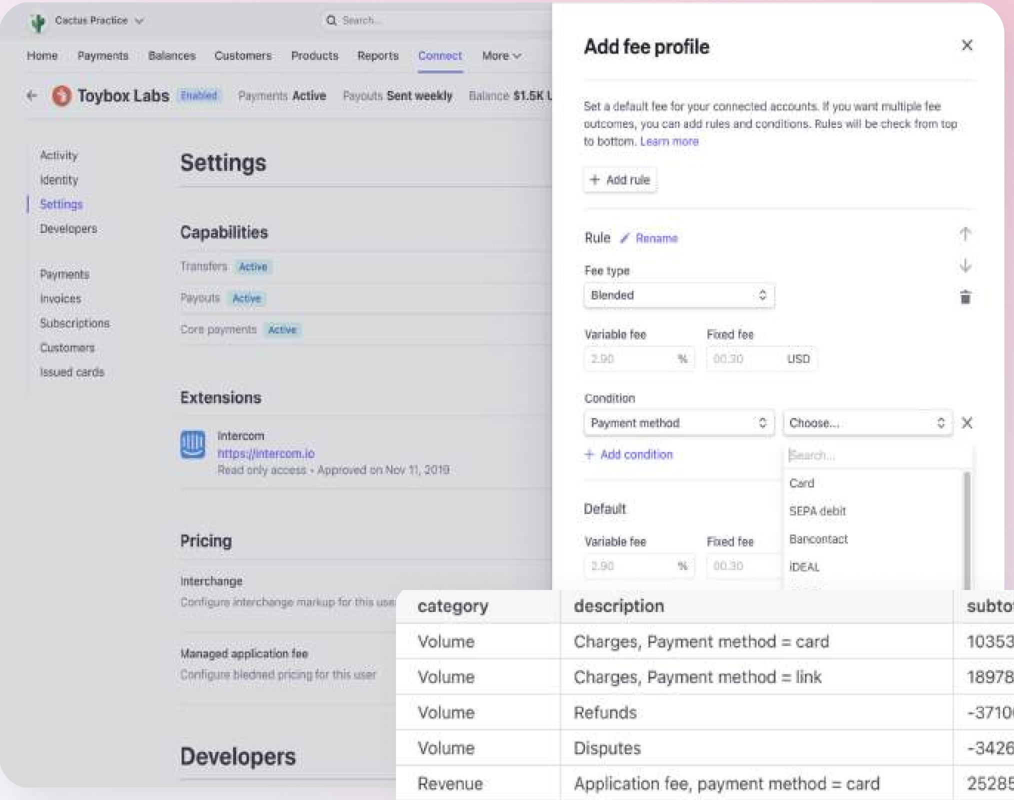
Does the provider offer different ways to monetise payments?

- Easily monetise payments with revenue share.
- Access wholesale purchase payments with a buy rate.
- Use **no-code pricing tools** to build your own pricing engine on a buy rate with capabilities for selections by payment method and country. Set different pricing schemes, including fixed, variable, and blended.
- Use **margin reports** on a buy rate to assess the impact of pricing changes on your margins.
- Access flexibility to use monetisation APIs to determine your own logic and attach it per transaction.

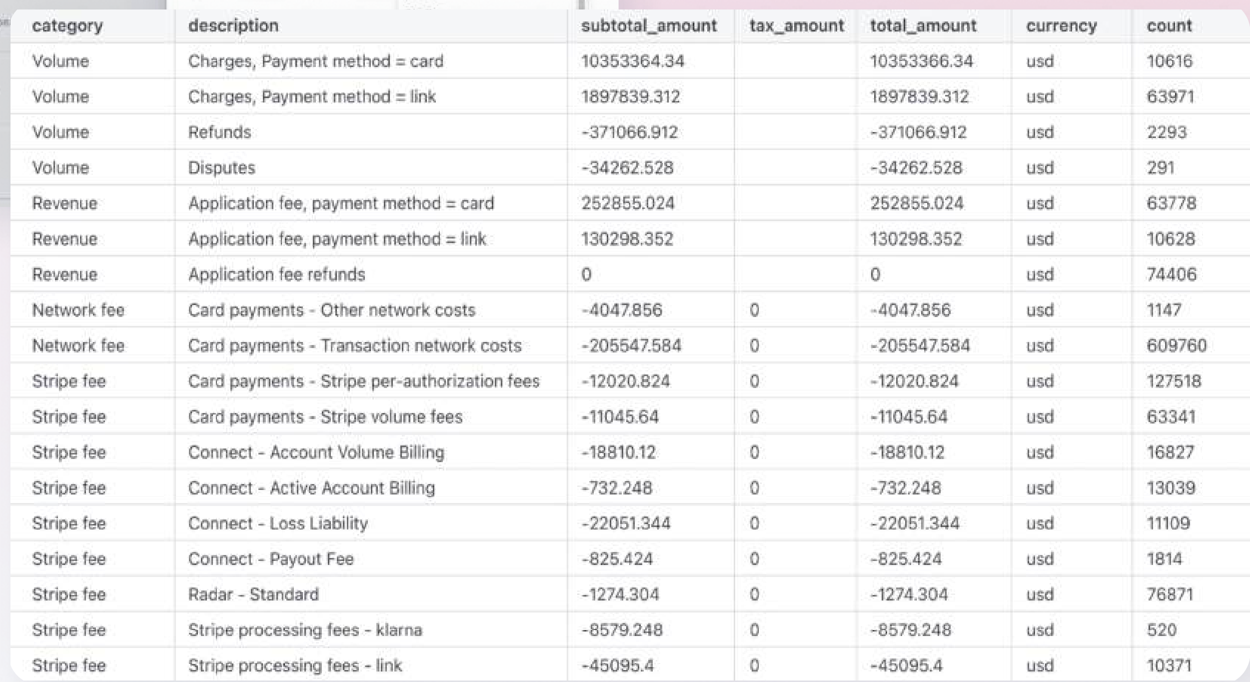
> "Stripe's margin reports have been instrumental in helping us understand payments profitability, both at an overall level and for individual customers. These insights and Stripe's no-code pricing tools have become invaluable in shaping and executing an effective payments pricing strategy. This not only supports our customers' growth, but also drives the expansion of FreshBooks' payments business."
>
> **Shirley Hsu**, VP and GM of Payments, FreshBooks

Try Stripe's solution

- Explore how custom reports can be created with **Stripe Sigma**.
- Explore how **Stripe Data Pipeline** could work with your company's analytics warehouse.
- View a sample of **revenue recognition** in your platform Dashboard.
- Read our guide on **monetising payments**.



No-code pricing tools to configure payments pricing and funds flows for your user



category	description	subtotal_amount	tax_amount	total_amount	currency	count
Volume	Charges, Payment method = card	10353364.34		10353366.34	usd	10616
Volume	Charges, Payment method = link	1897839.312		1897839.312	usd	63971
Volume	Refunds	-371066.912		-371066.912	usd	2293
Volume	Disputes	-34262.528		-34262.528	usd	291
Revenue	Application fee, payment method = card	252855.024		252855.024	usd	63778
Revenue	Application fee, payment method = link	130298.352		130298.352	usd	10628
Revenue	Application fee refunds	0		0	usd	74406
Network fee	Card payments - Other network costs	-4047.856	0	-4047.856	usd	1147
Network fee	Card payments - Transaction network costs	-205547.584	0	-205547.584	usd	609760
Stripe fee	Card payments - Stripe per-authorization fees	-12020.824	0	-12020.824	usd	127518
Stripe fee	Card payments - Stripe volume fees	-11045.64	0	-11045.64	usd	63341
Stripe fee	Connect - Account Volume Billing	-18810.12	0	-18810.12	usd	16827
Stripe fee	Connect - Active Account Billing	-732.248	0	-732.248	usd	13039
Stripe fee	Connect - Loss Liability	-22051.344	0	-22051.344	usd	11109
Stripe fee	Connect - Payout Fee	-825.424	0	-825.424	usd	1814
Stripe fee	Radar - Standard	-1274.304	0	-1274.304	usd	76871
Stripe fee	Stripe processing fees - klarna	-8579.248	0	-8579.248	usd	520
Stripe fee	Stripe processing fees - link	-45095.4	0	-45095.4	usd	10371

Payments margin report showing aggregated payment volumes, fees, and revenue at the platform, user, or transaction level

Expanding to new regions, channels, and revenue lines

Allowing your users to accept payments in a way that fits their distinct business needs, geographical footprint, and customer base is key to success. And once your payment solution has matured, you'll want to explore building a greater share of wallet.

Questions to evaluate providers' expansion capabilities

Does the provider make it easy for me to expand internationally?

- Supports onboarding users in 46+ countries and 14 languages.
- Has extensive local acquiring coverage in 46+ markets, with direct bank setups and local knowledge.
- Stripe-hosted and embedded surfaces can automatically update UIs for all country-specific requirements – without any changes to your integration.

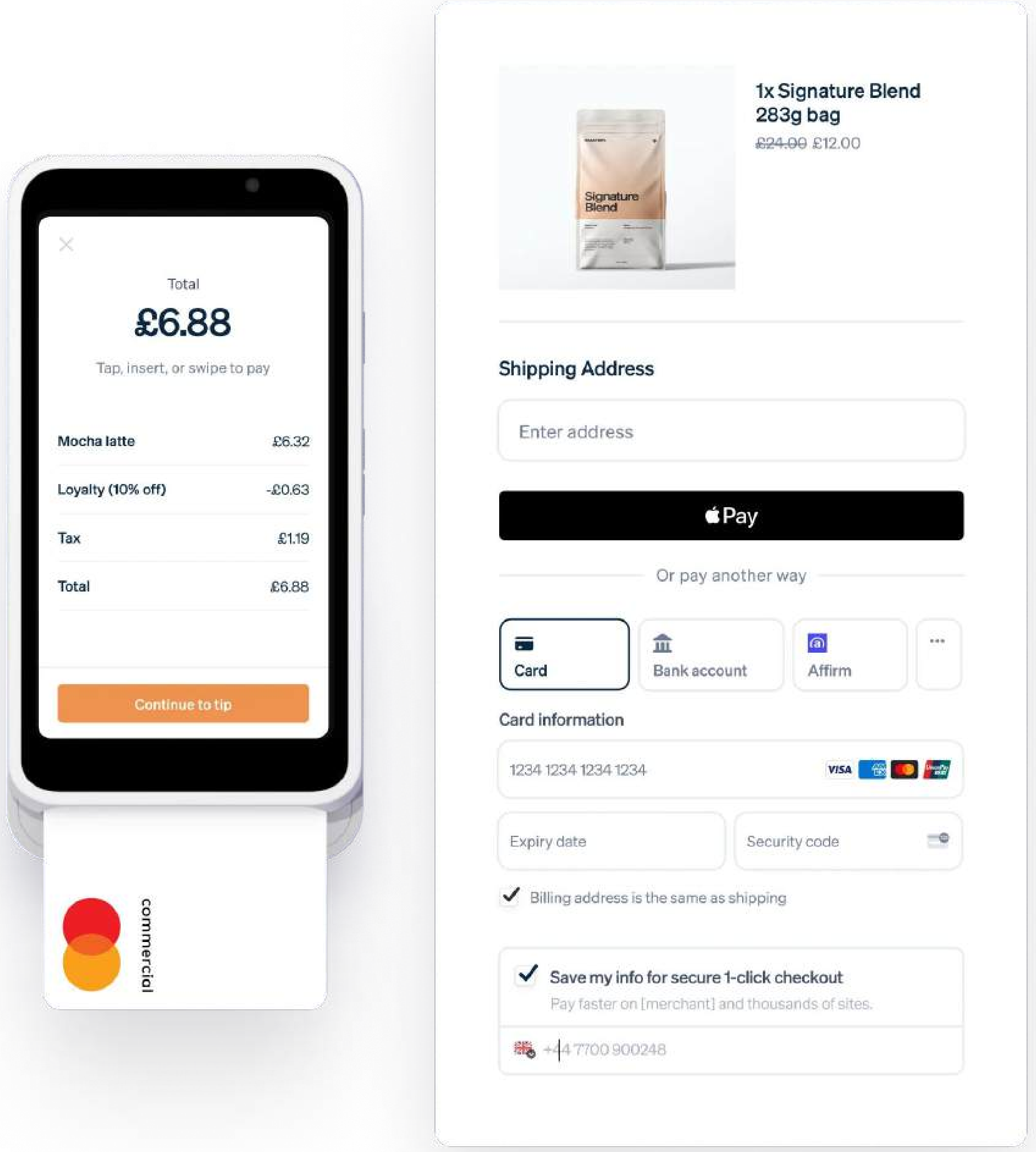
Does the provider help my users deliver a frictionless customer experience at checkout? And does the provider make it easy for me to turn on and present new local payment methods?

- Enable your users to accept 135+ currencies and dynamically surface 40+ payment methods to maximise conversion all over the world – including cards, wallets, BNPLs, bank debits and transfers, iDEAL, SEPA, and more.
- Help your users maximise revenue with products designed to optimise checkout experiences, including:
  - **Elements**: Embeddable UI components that drive conversion across web and mobile
  - **Dynamic payment methods**: Dynamically surface the most relevant payment method with no code
  - **Link**: Stripe's accelerated checkout solution that stores and auto-fills customer details
- Help your users display the highest converting payment methods, with features that help you:
  - Configure payment method eligibility and ordering
  - Customise payment method rules
  - Launch payment method A/B tests
  - Handle payment method A/B testing, rules, and configuration
  - Manage payment method eligibility, filtering, and a dynamic surfacing algorithm
- Use platform-level controls to enable, deploy, and manage payment methods.

Does the provider offer in-person payment solutions that enable me to provide omnichannel payments?

- Accept in-person payments with **Stripe Terminal**.
- Develop your own custom POS app or integrate with your existing tech stack via hundreds of third-party POS and commerce integrations.
- Expand your customer base and grow revenue with easy-to-add payment methods such as **Tap to Pay** on iPhone or Android devices and Apps on Devices.

Launch and scale new lines of business



Accept payments through online and mobile, subscriptions and billing, point-of-sale payments, invoicing, and more.

Questions to evaluate providers' expansion capabilities

Does the provider support billing, subscription lifecycle management, and provisioning?

- Supports a variety of pricing models, including subscription-based pricing, usage-based pricing, good-better-best pricing, and flat-rate plus overage fees with **Stripe Billing**
- Supports proration logic for upgrades, downgrades, and cancellations
- Includes a built-in dunning engine to automatically retry failed transactions on a customised schedule

Does the provider enable me to embed financial services that help my users to hold funds, pay bills, earn interest, and manage cash flow?

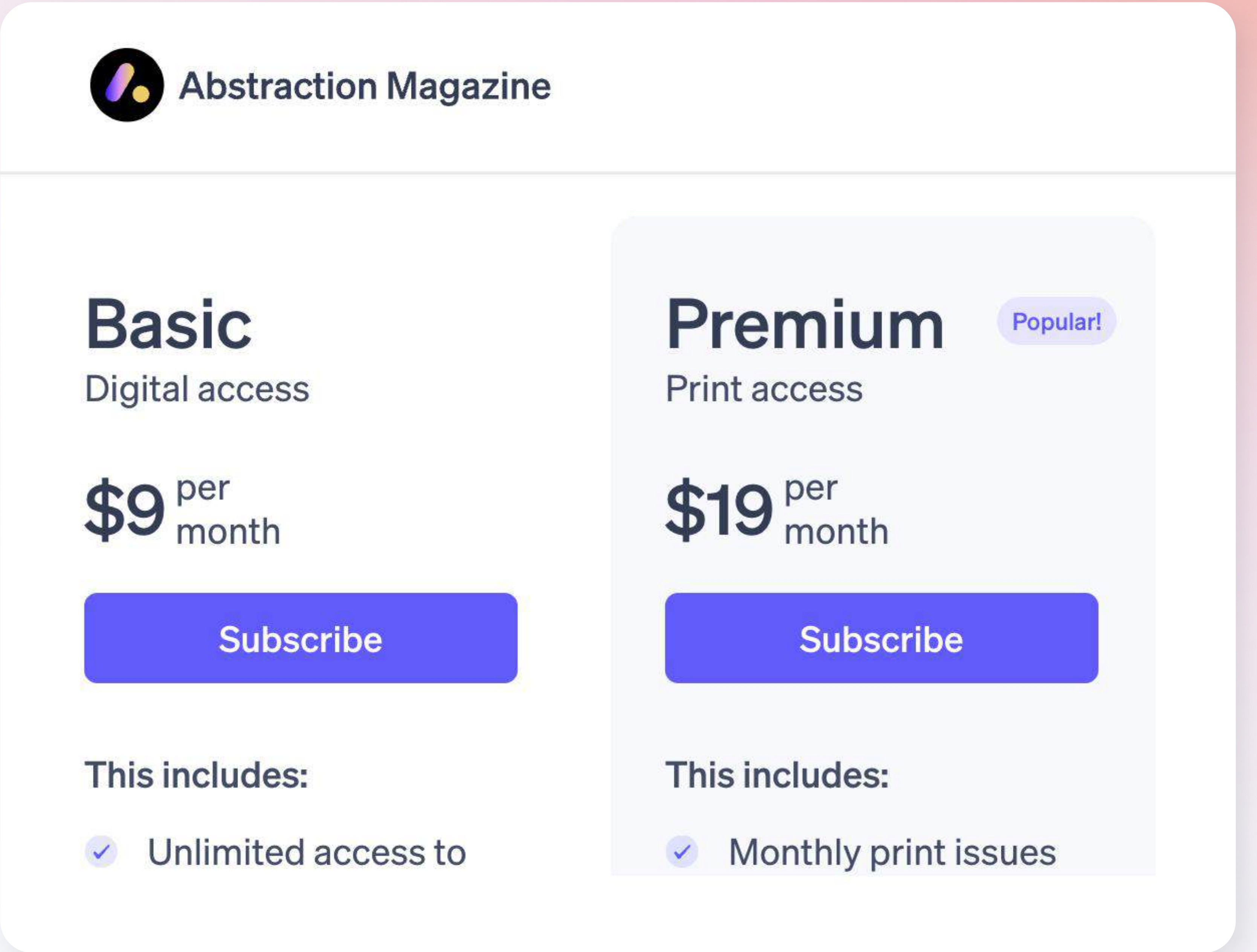
- Give eligible users easy access to financing to help them grow their businesses with **Stripe Capital**.
- Create bank account replacements with **Stripe Treasury** for your users that are **eligible for FDIC insurance** and can support ACH and wire transfers, or let them offer these capabilities to their own customers.
- Give your users fast access to their earnings via virtual and physical cards with **Stripe Issuing**.

Does the provider offer partnership or resources to help me successfully expand my payments business?

- Cost, fraud, and authorisation optimisation to ensure platforms are driving conversion while reducing their underlying interchange cost
- Dedicated partnership lead focused on strategic alignment toward mutually committed partnership goals
- QBRs and executive briefing committees
- Deep-dive workshops and toolkits for topics such as payment optimisation, risk management and KYC requirements, product monetisation strategy, financial services, and more

Try Stripe's solution

- Enable your users to accept online payments with a single **Payment Element** integration or a **hosted checkout integration**:
  - Through this integration, you can accept local payment methods and offer single transactions or subscriptions.
- Design a **Terminal integration**.
- Learn about our **professional services team**.



Enable your users to create flexible subscriptions and billing plans with Stripe Billing.

Getting to market faster

In addition to user experience and risk management, you'll want to evaluate a provider's documentation, developer tooling, and professional services capabilities to ensure that you can go live as quickly as possible. Time to market makes a big difference in an increasingly competitive environment.

Does the provider enable me with tools and components to help me get started quickly?

- Get a range of options to accept payments, from **no-code** (e.g., Payment Links), to low-code (e.g., subscriptions, pre-built checkout), to powerful APIs (e.g., in-person payments).
- Stripe has the **broadest set of components** that you can white-label and embed directly into your product to create exceptional user experiences with minimal development effort – including payment workflows for account management, account onboarding, balances, payments, payouts, and more.

Does the provider have strong developer documentation and tools?

- Publicly **available documentation** on all integration possibilities
- Highly comprehensive **API documentation** with example calls
- Wide variety of languages supported and official **SDKs** to flexibly fit into any tech stack
- Wide variety of **developer tools**, including CLI, Visual Studio Code plugin, sample integrations, and developer tutorials

Does the provider offer intuitive documentation to train my own support teams?

- Public documentation on all product features and APIs, plus self-serve support documentation that can be used to train support staff

Does the provider have strong testing capabilities to allow for E2E testing of the integration?

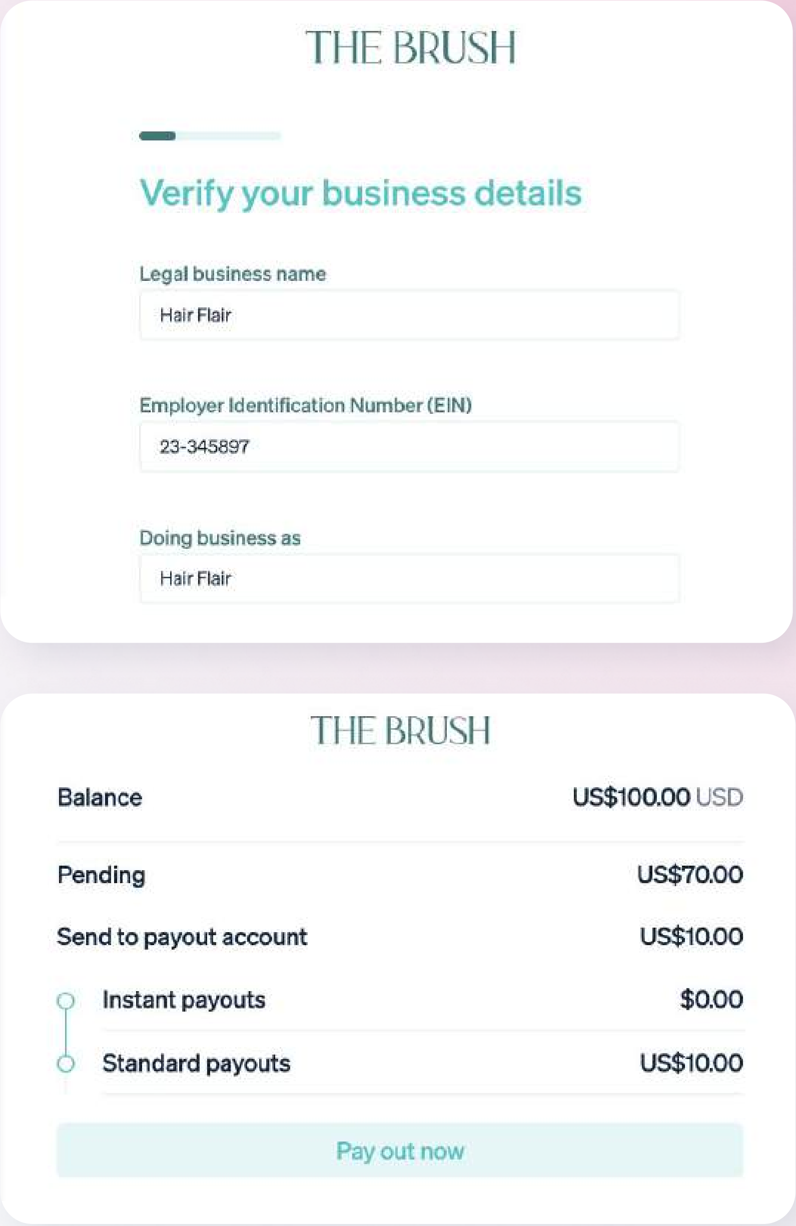
- Test mode with test cards, mock API responses, webhooks, error codes, and **full testing suite**

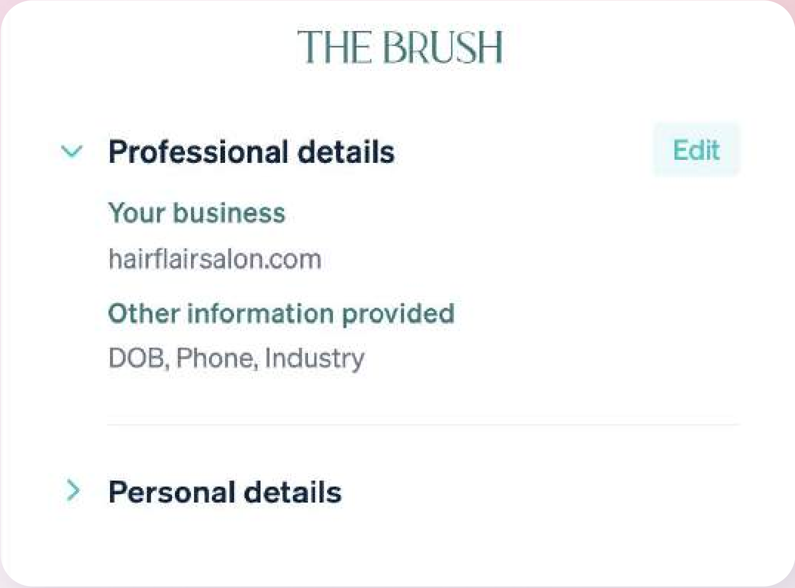
Does the provider offer professional services to expedite development time?

- **Professional services** with years of experience in helping some of the most innovative companies build state-of-the-art payment experiences

Try Stripe's solution

- Explore checkout integrations with **test cards**.
- Learn more about current and upcoming **embedded components**.
- See **customer case studies** of those we've served to pattern match with your strategy.





Embed simplified onboarding, dashboards, and useful workflows for your users.

How Stripe can help

Stripe's financial infrastructure offers modular solutions that help you monetise and distribute a full suite of payment functionalities to your customers. These include online and in-person payments, onboarding, instant payouts, card issuing, and financing – all without requiring you to natively build and maintain the infrastructure required to run these services.

With Stripe, you can:

- **Launch payments on your platform.** Stripe Connect is a multiparty payment solution built for SaaS platforms to facilitate and monetise platform payments, while offloading the complexity of facilitating payments.
- **Enable new business models.** Integrate Stripe Billing to give your customers the ability to launch subscriptions, memberships, free trials, coupons, and more. You can also set up recurring payments and enable smart tools to reduce churn.
- **Build a unified commerce experience.** Stripe Terminal provides developer tools, pre-certified card readers, contactless payments, and cloud-based device management that help you create a cohesive customer experience across online and in-person payments.
- **Implement financial services on your platform.** You can extend your payments businesses by embedding financial services – including accounts (Stripe Treasury), cards (Stripe Issuing), and financing (Stripe Capital) – to attract more customers, add new lines of revenue, and improve your customer experience.

To learn more about how Stripe can help you grow your embedded payments and financial services business, contact our team.

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woo lightspeed PLAYMETRICS
SQUARESPACE xero Housecall Pro
kajabi Jane GLOSS GENIUS
WIX HubSpot MEWS