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APMs in Disguise

What New-Generation BINs Mean for Merchant Performance

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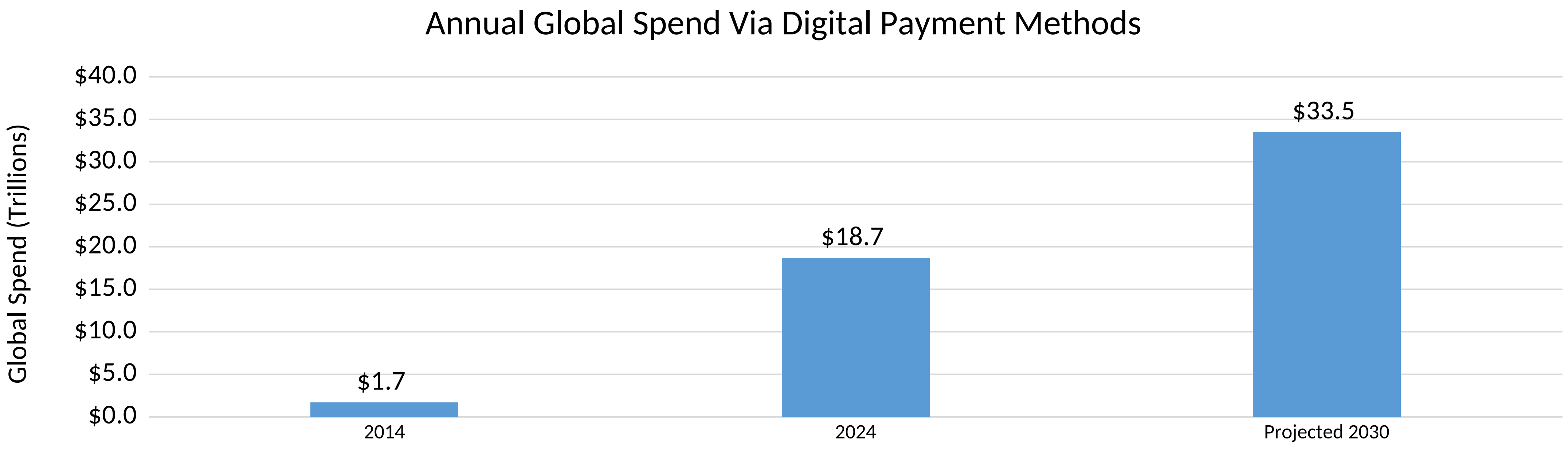
Overview

- The rise in virtual card APM (Alternative Payment Method) issuance represents a material change in customer behavior that will require merchants to rethink strategies associated with internal KPI management, vendor partnerships, ownership of the customer experience, customer lifecycle management, customer lifetime value, and data analytics strategies.



Source: Worldpay Global Payments Report 2025 https://corporate.worldpay.com/news-releases/news-release-details/10-years-cash-cards-and-crypto-worldpays-global-payments-report

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Background

- Virtual Cards are digital-only cards issued:

1) With unique PANs that can mask the underlying funding source (i.e. the customers' payment method to the APM program)

2) With options for rules such as one-time use, amount thresholds, MCC eligibility

- Popular use cases include:
  - Commercial card payments
  - APM program enablement (BNPL, Neo-Banks, On-Demand Delivery, etc.)
  - African Mobile Money payments

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Example: APM Program Structure

- The key players in enabling a virtual-card based APM program are:

Issuer-Processor

- Fintech provider that enables relationships between all other parties.
- Manages compliance with issuers' requirements and designs card program.
- Often entitled to a portion of interchange.

Underlying Card Issuer

- Issues the credentials which customers will utilize.

Card Network

- Sets interchange, routes transactions.

APM Program

- Customer of Issuer-Processor, the overarching brand and product of the program.

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Source: Feb 2026 Marqeta 10K, pp. 9 https://investors.marqeta.com/static-files/94a7897c-3d18-4b99-997f-80955bb7a908

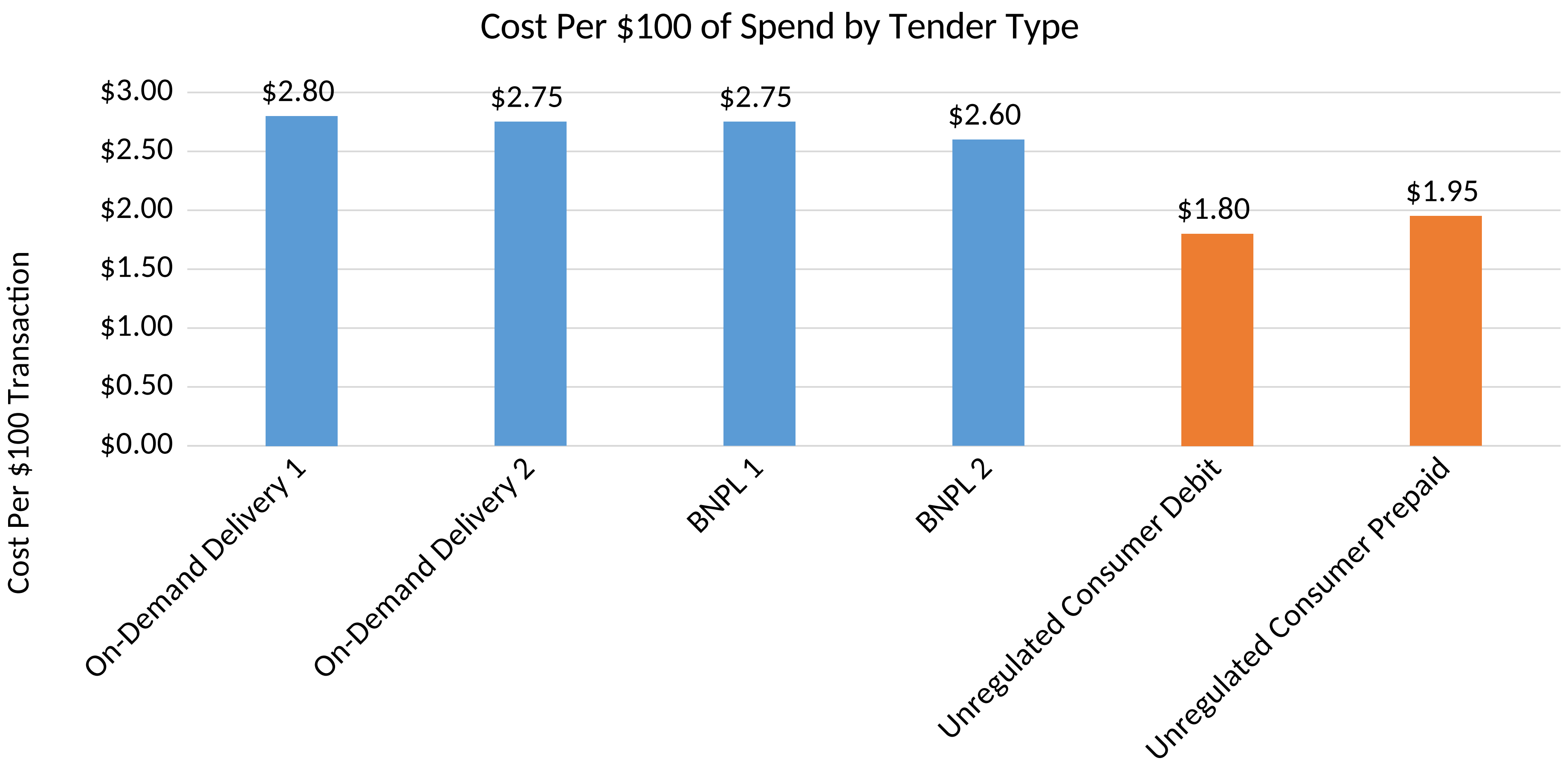
Key Impacts

1. **Cost:** Virtual cards can drive up costs of acceptance for some programs who utilize commercial interchange rates.

2. **Approvals:** Virtual card spending can have adverse effects on authorization performance metrics.

3. **Fraud:** The rise of virtual card usage needs to be monitored for instances of exploitation and unique attack vectors.

Cost Comparison



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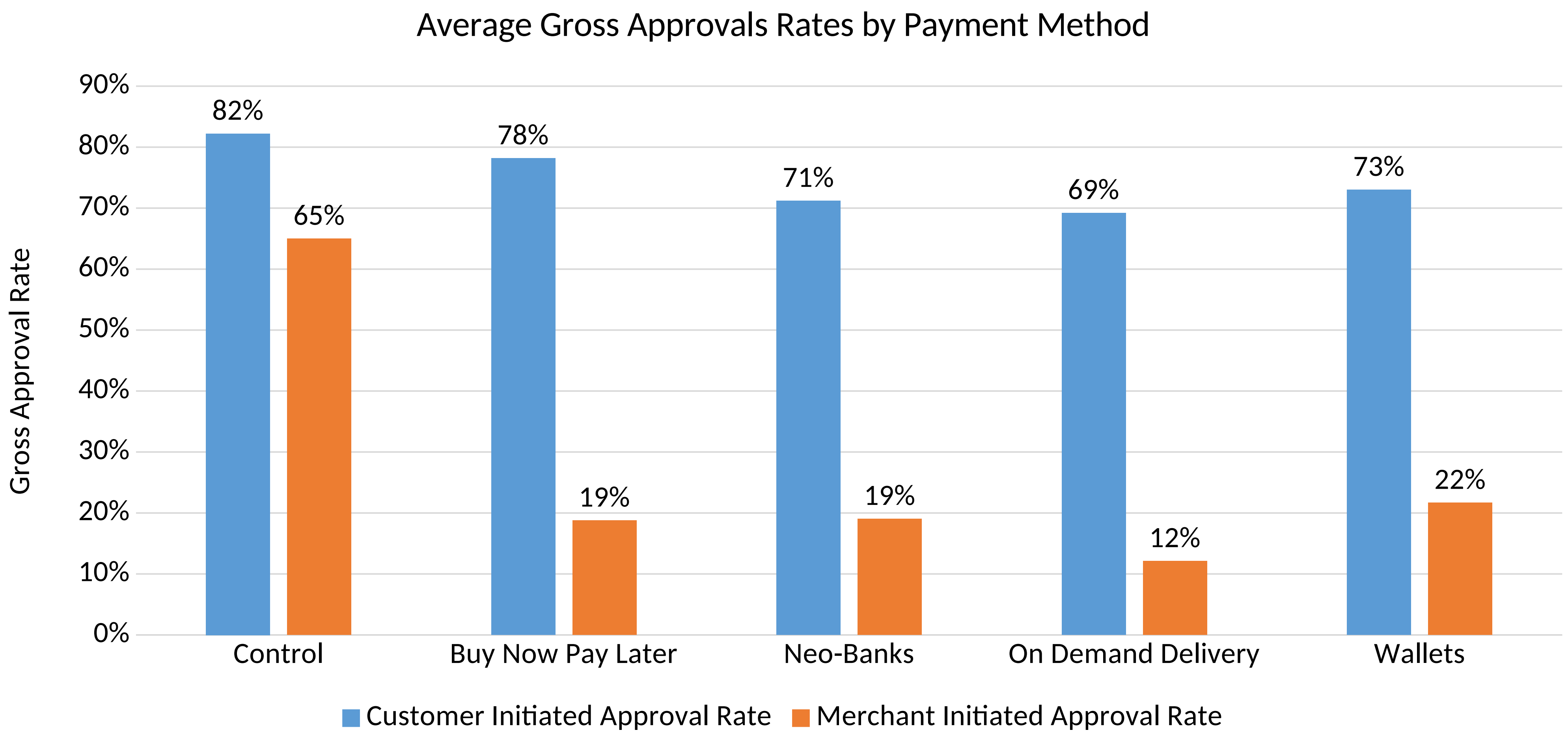
*APM programs identified by BIN, not all BINs are fully-unique to APM program (i.e. some mixed traffic will be present)
**Source: CMSPI Merchant Payments Intelligence

Approval Performance Comparison



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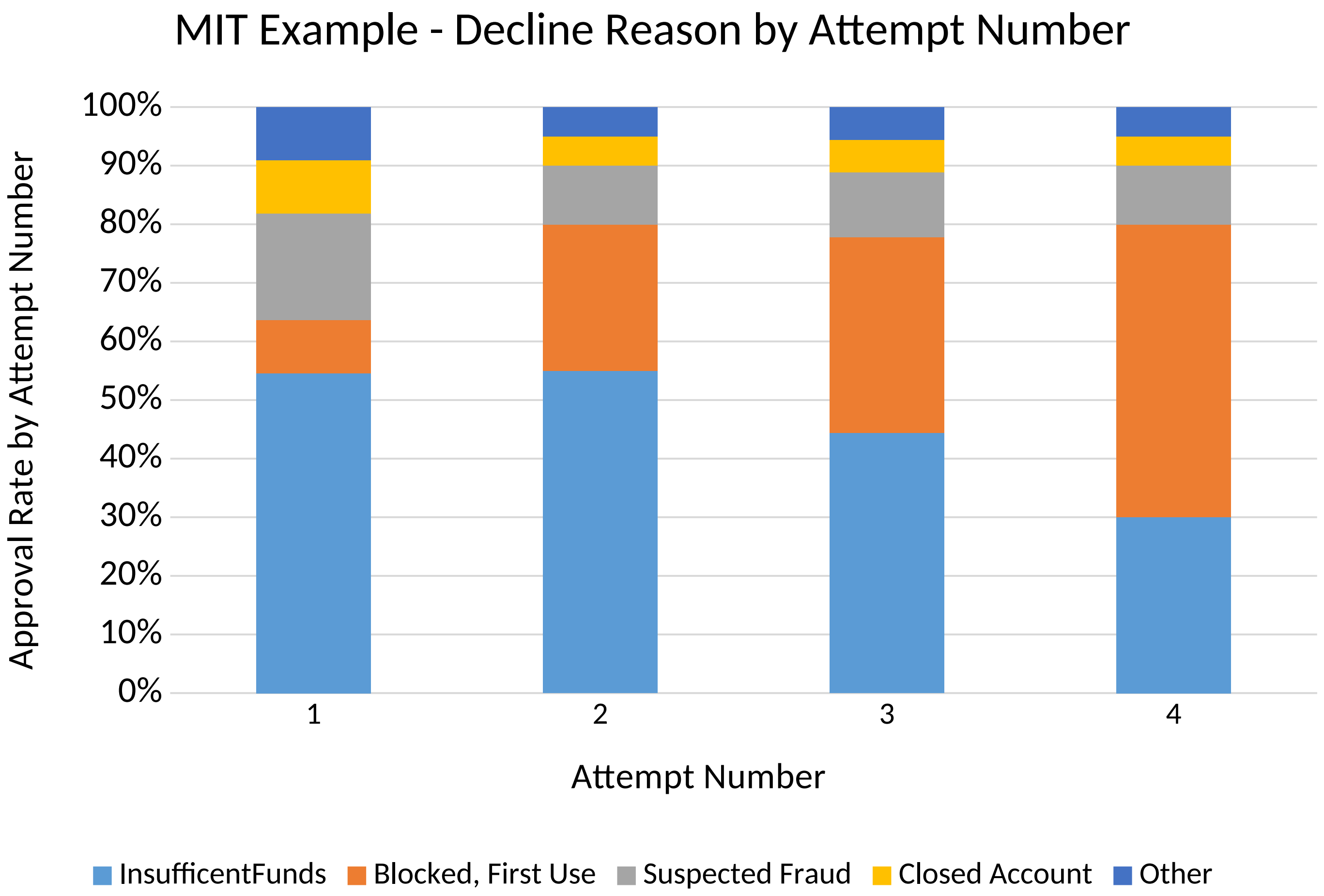
***Source: CMSPI Merchant Payments Intelligence*

Example: MIT Retries on One-Time APMS

1. One-time use APMs which are retried by subscription merchants often see near 0% approval rates, which causes them to be highly over-represented in decline profiles.
    1. These often take the form of Visa 78 responses – “Blocked, First Use”



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Unique Fraud Considerations

1. The rise of virtual card issuance and non-integrated APMs has resulted in new attack vectors for bad actors, such as:
    1. Trial-to-Paid model exploitation,
    2. Heightened re-sale activity,
    3. More easily obfuscated identities,
    4. B2B Expense abuse,
    5. Card Testing/BIN Attacks

Collecting the BINs

- Practical tips for identifying APMs in your traffic:
  1. Contact APM Program managers
     1. Other parties involved are less likely to have knowledge/permission to work with you.
  2. Run test-transactions and find them within your data
  3. Mastercard Merchant Advice Codes
     1. Code 41 - Consumer single-use virtual card number
     2. Code 43 - Consumer multi-use virtual card number
  4. Over-representation of specific Visa declines
     1. 78 – Blocked, First Use
     2. 9G – Blocked by Cardholder

Once you know the BINs:

PSP Data

Issuer	BIN
SUTTON BANK	XXXXXXXX
BANCORP BANK	XXXXXXXX
STRIDE BANK	XXXXXXXX
CELTIC BANK	XXXXXXXX
SUTTON BANK	XXXXXXXX
CELTIC BANK	XXXXXXXX
WEBBANK	XXXXXXXX
CROSS RIVER BANK	XXXXXXXX
SUTTON BANK	XXXXXXXX
CELTIC BANK	XXXXXXXX

Enhanced Lookups

APM Program	BIN
Cash App	XXXXXXXX
Chime	XXXXXXXX
Chime	XXXXXXXX
Zip	XXXXXXXX
Afterpay	XXXXXXXX
Zip	XXXXXXXX
Affirm	XXXXXXXX
Affirm	XXXXXXXX
Klarna	XXXXXXXX
Affirm	XXXXXXXX

- Identifying the BIN allows merchants to enhance data analysis quality by overriding PSP information.

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Summary & Key Takeaways

1. Cost, Fraud, and Approvals are all impacted in unique ways by the rise of virtual card APMS.

2. What can you do?

    1. Identify the traffic,

        1. Test transactions, contact program managers, or collaborate with peers in the industry.

    2. Contact Programs and Establish your Acceptance Strategy

        1. Customers want to use these payment methods, and partnership could be a resolution to many of the key problems we've discussed.

        2. Barring a direct partnership, merchants should understand how these APMs are impacting estate performance and define a strategy for acceptance. The best approach can depend on your current PSP.

Thank you

- Don’t forget to submit your session evaluation!

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