

The power of the PayFac model

What is a PayFac?

A payment facilitator is a merchant services provider that enables businesses to process credit card payments. An increasing number of platforms and SaaS providers are becoming payment facilitators so that they can provide their clients with streamlined account onboarding and integrated payment processing features—all while growing their own revenue.

How does it differ from the ISO merchant services model?

With a typical ISO model, your clients work directly with the payment processor to onboard and register to process payments. Together, ISOs and platforms share in the revenue generated from processing fees. In contrast, a PayFac builds and maintains its payment infrastructure to interact directly with clients and control the user experience. PayFacs enjoy the opportunity to earn more revenue—however, they carry the increased costs and risks associated with payment processing.



The growth of PayFac-as-a-Service

The traditional path to becoming a PayFac is complex, costly, and risky—requiring significant overhead costs and years dedicated to building a PayFac infrastructure from the ground up. Platforms choosing this path need to develop software, become compliant with numerous regulations, and carefully oversee risk management.

To simplify the PayFac journey for platforms, payment solution providers like Sola offer the PayFac-as-a-Service (PFaaS) model. PFaaS products like Sola Go are out-of-the-box solutions that equip businesses with everything they need to become PayFacs: software, compliance, risk monitoring, and so much more.

How to become a PayFac

OPTION 1

Traditional PayFac



Register with an acquiring bank



Develop PayFac software



Maintain compliance with PCI DSS, AML, and other regulations



Register as a PayFac with the card brands

OPTION 2

PFaaS



Register with Sola



Benefits of the PayFac Model

- ✓ High earning potential
- ✓ Rapid onboarding
- ✓ Flat-rate structure

Interested in becoming a PayFac?

Partner with Sola for the most

hassle-free experience and generous

revenue-sharing opportunities.

Visit solapayments.com/payfac

Benefits of the Sola PFaaS solution

All the benefits of the traditional PayFac model, plus:

- ✓ Rapid time to market (months rather than years!)
- ✓ Reduced risk burden
- ✓ Easy integrations that minimize scope of development
- ✓ Advanced payment technology for in-store, online, and mobile channels
- ✓ Greater control over sub-merchant boarding and payouts
- ✓ Human-first support

¹ prnewswire.com/news-releases/payment-facilitator-market-expected-to-reach-15b-in-payments-revenue-by-2025-301044649.html

² markets.businessinsider.com/news/stocks/vertically-focused-saas-companies-can-increase-revenue-15-to-14-times-and-valuation-8-5-to-127-times-by-becoming-a-payment-facilitator-1027735525

³ emarketer.com/content/why-payments-facilitators-worth-watching