# Why 2025 Could Be the Year of the Virtual Card

Even as eight in 10 businesses plan to improve payment processes in 2025, lingering manual methods remain a source of friction and delays in B2B transactions. Virtual cards offer key solutions, yet only a fraction of businesses use them. However, strong signs point to growing virtual card momentum. Could 2025 be the year that turns the tide?





complications still impede businesses' long-term growth. Virtual cards offer powerful advantages over manual payment processes, including greater

Manual payment processing is not yet a thing of the past. Its delays, errors and cash flow



efficiency and security. These features help mitigate risk and cash flow disruptions arising from traditional B2B payments. Although virtual cards' advantages are obvious, they remain underutilized, with misconceptions largely at the root of hesitation to implement them. However, new data



indicates a growing momentum toward virtual card adoption. PYMNTS Intelligence interviews Dean M. Leavitt, Founder & CEO, Boost Payment Solutions, on how companies can overcome complexity concerns to boost virtual card adoption.

(26%) of business decision-makers cite late or slow payments as a common reason for having stopped working with a buyer or supplier. Another study shows that nearly half of all business-to-business (B2B) invoices in North America are paid late. This is a testament to the legacy of paper payments, like checks, as well as the manual processing of payments—both of which remain persistent sources of delays, fraud and

errors in B2B transactions. Virtual cards offer a compelling solution to manual payment challenges for both buyers and suppliers. By automating payments through a tokenized process that eliminates physical cards, they not only remove delays and frictions but also can help improve security for every transaction. The B2B virtual card market is on track to skyrocket fourfold in the next seven years, offering significant growth opportunities across

industries. According to PYMNTS Intelligence data, more than three-quarters of middle-market CFOs express high interest in accepting virtual cards to ensure timely payment. However, less than half of companies worldwide say they currently use virtual cards. In this edition, we explore the obstacles—and misconceptions—limiting virtual cards' current use. Moreover, we explain why indicators show that 2025 could be a breakthrough year for virtual card adoption. • In 2025, Payment Shortcomings Persist

• Digital Dividends: Virtual Cards' Clear Advantages • Outlook on Adoption: Obstacles and Solutions

- An Insider on How Companies Can Boost Virtual Card Adoption
- Turning Plans Into Reality: The Virtual Card Imperative in 2025
- In 2025, Payment Shortcomings Persist

#### A 2025 Ignition survey found that 63% of marketing, branding, design, creative, digital and advertising agencies in

Late payments can lead to severe cash flow crunches.

97% The biggest culprit? Late payments. Ninety-seven percent of of marketing and creative agencies said they contend with late payments, with 65% agencies are dealing with

reporting that at least 25% to 30% of their invoices are paid late. This tardiness is likely due, in part, to a reliance on manual payment processes. According to the Amex Trendex survey, only 17% of businesses say they have fully automated their payments, indicating many business leaders are not taking advantage of the benefits of doing so. Another study by American Express

late payments in 2025.

Late payments are hitting small businesses hard in 2025. Small businesses, in particular, struggle with the repercussions of late payments. According to a study by Intuit Quickbooks, 73% of small to mid-sized businesses (SMBs) are negatively impacted by late payments. These delays can lead to critical cash flow problems, impeding daily operations, timely supplier payments

The monetary cost of these payment delays is substantial. Small businesses estimate an average annual loss

of \$39,406 due to late payments—and 9% lose \$100,000 or more. Nearly one-quarter of these businesses

consider their cash flow unstable, and 29% feel less financially secure than they did a year ago.

Virtual cards offer powerful advantages over manual payment processes, including greater efficiency and security. These features help mitigate risk and cash flow disruptions arising from traditional B2B payments.

## Virtual cards are increasingly recognized as a solution to these recurrent cash flow issues. Virtual card solutions

Digital Dividends: Virtual Cards' Clear Advantages

eliminate the problem of late payments by automating the entire transaction process from generation to of financial leaders already reconciliation, bypassing the manual steps and potential

inefficiencies of traditional payment methods. They

provide real-time tracking and straight-through

reduced fraud risk as the processing that accelerate payments, reduce errors and primary benefit. free up finance teams to focus on strategic work rather than chasing invoices or tracking manual data entries.

reports that 65% of surveyed businesses have been victims of actual or attempted payment fraud, mostly via checks. Moreover, according to the Amex Trendex, four in five business decision-makers say a single fraud incident relating to payments could significantly impact trust in their relationships with buyers (82%) and suppliers (82%). Virtual cards offer superior fraud protection. These dynamic payment solutions function like traditional 16digit credit or debit card numbers—but without a physical card. Each card is generated digitally with unique details for a single transaction, utilizing a tokenized, one-time-use version of a physical card number.

This design enhances security and reduces complexity, as merchants do not need to handle sensitive

payment data from buyers. Virtual cards also include an expiry date, cardholder name and security code to

improved security and reduced fraud risk as the primary benefit.

Virtual cards offer additional control by allowing users to restrict spending by a specific amount, date range or even merchant, with any transactions attempted outside these preset limits automatically declined. This functionality provides an array of benefits, including streamlined invoicing and expensing. The cards also enable smoother transaction processes across various B2B applications, such as supplier payments, employee expenses and cross-border transactions.

Furthermore, virtual cards help improve supplier relationships by ensuring on-time payments and offering

greater payment method flexibility. However, despite these distinct advantages, virtual card adoption still

**Outlook on Adoption: Obstacles and Solutions** Although virtual cards' advantages are obvious, they remain underutilized, with misconceptions largely at the root of hesitation to implement them. However, new data indicates a growing momentum toward virtual card adoption.

#### 00 /0 in accepting virtual cards to facilitate automated invoice approval and timely payments. However, according to a of global financial leaders are Conferma poll, while 88% of financial leaders across the either considering or actively

embracing virtual cards.

One barrier is the common misperception that buyers' and suppliers' needs don't always line up. Contrary to this belief, however, virtual cards can foster a positive, symbiotic relationship between the two, according to Widad Chaoui, Senior Vice President, Corporate and B2B Solutions Product Management, Global Commercial Services, at American Express. In a recent PYMNTS interview, Chaoui explained that virtual cards offer clear traditional methods.

every measure, virtual card use is growing by leaps and bounds.

overcome complexity concerns to boost virtual card adoption.

payment process: manual processing.

and one-time-use credentials.

suppliers," Leavitt said.

accelerates."

cards."

Dean M. Leavitt

In the 2024 Certainty Project Report by PYMNTS Intelligence,

78% of middle-market CFOs said they were highly interested

United Kingdom, the U.S., Canada, Singapore, Australia, Brazil

to clear the path for wider acceptance.

benefit just as much as buyers.

# One projection sees the B2B virtual card market quadrupling from \$14.65 billion in 2025 to \$61 billion in 2032, representing a growth rate of 23%. Meanwhile, American Express predicts a transaction volume of 174.3 billion by 2028, up from 35.8 billion in 2023. Conferma found that 82% of current users plan to expand

Chaoui said healthcare and construction are leading the way in virtual card use, but she predicts far greater expansion. "We've seen tremendous growth in virtual cards over recent years," she said. "We're seeing significant adoption in these sectors, but I expect other industries to catch up as suppliers become more educated on the benefits."

their use of this method in the next year, with virtual cards' share of all payments projected to rise to 57%. By

# "Virtual cards, especially when paired with automation like Boost Intercept, help eliminate these frictions," he said. "By removing the need for manual entry and reconciliation, our multi-patented technology enables

Moreover, he added, virtual cards also offer rich remittance data and fraud protection through tokenization

Virtual cards address the most significant pain point in the B2B

Manual processing remains one of the biggest bottlenecks in B2B payments—introducing inefficiencies,

For buyers, Leavitt observed, the biggest hurdle in virtual card adoption often stems from perceived complexity—concerns about integration, supplier acceptance and internal change management. "Many assume virtual card programs are difficult to implement or require significant IT resources," he

**44** According to the Amex Trendex: B2B Payments Edition, 91% of business decision-makers say that easy, streamlined and secure payments drive business growth. Payments automation with virtual cards—with offerings like Boost's straight-through-

Supplier Enablement, American Express

processing for Amex-accepting suppliers—enhances the payments experience on both sides of the transaction, which ultimately helps

Senior Vice President & General Manager, B2B, Merchant Acquisition &

and without the burden of manual processing," he explained. Buyers can also utilize virtual cards as a key tool in their working capital toolkits, allowing them to pay suppliers sooner while extending their own days payable outstanding (DPO). They also benefit from enhanced control and visibility and significantly decreased fraud risk. "Both buyers and suppliers enjoy reduced administrative overhead and accelerated cash flow and working

capital expansion via the credit extension associated with the card product," Leavitt said. "It's a win-win that

"Absolutely—momentum continues to build for virtual card adoption," he stated. "According to the latest

Amex Trendex: B2B Payments study, eight in 10 U.S. businesses plan to improve their payments processes in

Leavitt sees CFO offices prioritizing automation, security and supplier enablement—and virtual cards check

all those boxes. With his own product, he said, buyers can implement virtual card programs quickly and at

finance becomes the norm, virtual cards are no longer just a nice-to-have—they're strategic," he concluded.

**Turning Plans Into Reality: The Virtual Card** 

The B2B virtual card market is expanding quickly in 2025 as companies look for secure, efficient and

automated ways to manage payments, improve transaction processes and minimize fraud. Industry leaders like American Express and Boost Payment Solutions are at the forefront, introducing virtual card solutions that provide real-time tracking, flexible spending controls and integration with corporate financial platforms. This rapid growth suggests that now is the time for companies to overcome any hesitations and

• Educate suppliers on the operational and financial benefits of virtual cards, including faster payments and reduced DSO. • Partner with solution providers that enable fully automated virtual card processing and simplify supplier onboarding. • Track performance improvements across key metrics following implementation and refine payment strategies accordingly.

• Set strategic goals around improving cash flow, enhancing security and reducing administrative

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According to the 2025 Amex Trendex: B2B Payments Edition survey by American Express, one-quarter

Manual payment processing is not yet a thing of the past. Its delays, errors and cash flow complications still impede businesses' long-term growth.

# the United States reported having unpredictable cash flow.

found that 59% of U.S. businesses link poor cash flow and forecasting to outdated manual accounts receivable (AR) methods.

Cash flow unpredictability can have considerable downstream consequences. In fact, 81% of agencies in the Ignition survey said they have postponed or canceled strategic business initiatives because of it. and the ability to invest in growth.

Virtual cards put an end to payment delays. 46%

Virtual cards' one-time tokens help protect against fraud and unauthorized use. In addition, virtual cards address the increasingly vital issue of ensuring payment security. American Express

using virtual cards cite

improved security and

faces a few hurdles.

further bolster defense. These features make them significantly safer than checks, which remain vulnerable to increasingly sophisticated fraud schemes. According to a recent study, 46% of virtual card users cite Virtual cards allow for better spend control, efficiency and supplier relationships.

Current usage does not match the high level of interest in virtual cards.

### and the United Arab Emirates said they were either considering or actively embracing virtual cards, just 48% said they were currently using them. One reason for this disconnect is that certain misconceptions must be dispelled

Some suppliers hesitate to accept virtual cards—though they

advantages to both sides: Buyers benefit from simplified transactions, enhanced payment automation and cost savings, while suppliers receive faster payments and spend less time chasing invoices than with Some suppliers hesitate to adopt virtual cards due to perceived complexity, Chaoui noted. Overcoming this requires educating them on how virtual cards accelerate payments and reduce days sales outstanding (DSO). As awareness grows, she expects virtual card adoption and integration to rise, unlocking opportunities for bottom-line improvements and greater scalability. Momentum for virtual card adoption is growing.

An Insider on How Companies Can Boost Virtual **Card Adoption** 

PYMNTS Intelligence interviews Dean M. Leavitt, Founder & CEO, Boost Payment Solutions, on how companies can

Founder & CEO, Boost Payment Solutions

**66 Virtual cards empower suppliers** by providing them with a

thrilled to team up with American Express to provide suppliers

with an innovative payment tool to accept Amex B2B virtual

simpler, smarter and safer option for accepting payments. We're

errors and delays, Leavitt told PYMNTS Intelligence in a recent interview. straight-through processing that accelerates cash flow, reduces human error and enhances security."

"The result? A faster, safer and more transparent payment experience that benefits both buyers and

Adoption of virtual cards still faces some obstacles, however.

explained. "At Boost, we've proven otherwise. Our solutions integrate quickly with existing systems and workflows, often going live in days." Another challenge he noted is supplier enablement. "Buyers worry suppliers won't accept cards, but with Boost's supplier-centric 'acceptance on your terms' approach coupled with automated processing, we remove friction on both sides," he said. "Education and the

right technology partner are key—once buyers see the operational and financial upside, adoption

drive business forward."

Kymberly Cantrell

Removal of friction fortifies buyer-supplier ties.

Increasing virtual card adoption is on the horizon.

fosters trust, collaboration and long-term partnership."

Does Leavitt see virtual card adoption growing in 2025?

2025. Virtual cards are central to that transformation."

scale, without disrupting existing workflows.

**Imperative in 2025** 

checks and manual reconciliation.

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burdens.

strengthen buyer-supplier relationships by removing friction. "Suppliers get paid faster, with full remittance data in formats that can easily be ingested into ERP platforms,

Leavitt has seen firsthand that virtual cards, when automated with true straight-through processing,

"The key is to partner with providers who simplify integration and deliver measurable ROI. As digital-first

adopt virtual card solutions without further delay. PYMNTS Intelligence offers the following actionable roadmap for companies to make 2025 their year of virtual card adoption: • Examine existing payment workflows to identify inefficiencies and bottlenecks caused by paper

By embracing these steps, businesses can improve working capital, reduce friction in their payment processes and strengthen buyer/supplier relationships—helping them compete and scale with confidence in 2025 and beyond.

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