

# Payment fintechs pump the gas for an on-chain world

John Adams • 8 min read  
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- **Key insights:** Block and Circle are both pursuing blockchain projects, with Block focusing more on bitcoin than stablecoins.
- **What's at stake:** The GENIUS Act is expected to create a massive global market for digital assets.
- **Forward look:** Payment experts say banks will need to up their game to keep up.

The [GENIUS Act](#) passed nearly six months ago, but for Dante Disparte the benefits are only starting to emerge.

"It's a landmark piece of legislation," Disparte, the chief strategy officer and head of global policy and operations at USDC issuer Circle, told American Banker. "It gives the U.S. something we haven't had historically, which is a de facto national payments license."

While the law is designed to give regulatory clarity to stablecoins, its impact goes far beyond that, signaling a favorable environment for a [range of digital assets](#) that can be used for payments and other financial services. U.S.-based payment firms that have supported digital assets for years, such as Circle and Block, are racing to take advantage of the new environment by building networks that support not only payments, but a broad menu of financial services that approach banking.

"We can do what we haven't been able to do in my payments career, which is to have a home field advantage for payments," Disparte said. "It's now about how we meet the moment."

## What is the moment?

While cryptocurrency and stablecoins have existed for years, 2025 has brought lots of attention, particularly from banks trying to spot opportunities.

Forty-seven percent of banks said their clients want information about digital assets, with 35% saying they want the ability to make payments using cryptocurrencies; and 27% said that customers were asking for banks to provide custody of digital assets, according to [research from American Banker](#).

Circle has made several moves to respond to a digital asset market that will increasingly include [more banks](#) and other [technology companies](#).

It recently launched the [Circle Payments Network](#), which connects financial institutions, challenger banks, payment companies and digital wallets, enabling payments to process instantly in different currencies and markets.

"While we're most widely known for being the issuer of regulated stablecoins, a lot of what we're doing now is to ensure how all of these payment options will interact," Disparte said. "The Circle Payment Network is a big initiative to coordinate cross-border money flows to have a better payment orchestration layer."

Circle, which priced its [IPO](#) in June, has also applied for a [national trust bank charter](#), which would enable it to offer custodial services under OCC regulations instead of a patchwork of state money transmitter licences. The custodial service would also include representation of stocks and bonds on a blockchain network.

Disparte does not view Circle, or fintech-led stablecoins, as a threat or a competitor to banks, countering concerns that digital assets will drain traditional bank deposits. "We say it's an all ships rising proposition with the banks," Disparte said, noting bank-supported stablecoins can boost transaction volume and enable all payment providers to reach new markets and users. "Stablecoins can support the growth of a bank's balance sheet." Circle is additionally expanding development to connect agentic commerce to digital assets such as stablecoin.

"What we anticipate in time is a connection of stablecoins with agentic commerce, having a digital wallet that can access commerce on your behalf," Disparte said.

In attempting to build stablecoin support, payment firms may have better luck with businesses than consumers. Merchants are more interested in stablecoins as a way of avoiding interchange fees, but the incentive for consumers is less clear, according to Aaron McPherson, principal at AFM Consulting. "It's less clear what the incentive for consumers is. Perhaps if the settlement goes through, allowing merchants to surcharge reward card usage, this will make stablecoins relatively attractive in comparison, but there would have to be some inducement to use them," McPherson told American Banker.

## Cash bank

At Block, [CEO Jack Dorsey](#) has long supported bitcoin, referring to it as the "native currency" of the internet. Block supports stablecoins, but does [not have plans](#) to issue one of its own. Block has not seen high demand for stablecoin payments among its sellers for domestic payments in the U.S., but like many payment companies and banks it is seeing demand for international payments in stablecoins, Owen Jennings, head of business at Block, told American Banker.

"We have been focused on bitcoin, we think bitcoin is a better bet to move money," Jennings said. "It's open and resistant to censorship."

In an effort to link the two sides of its business, Block recently launched a feature that enables sellers to accept bitcoin as payment, and a Cash App map that consumers can use to spot merchants that accept bitcoin.



Owen Jennings, head of business at Block

Block

"This is a key area where we're able to bring Square and Cash App together," Jennings said of Block's strategy to offer services to both consumers and merchants.

Block, which retains its original Square brand for its merchant-facing business, is also combining [new forms of AI](#) with blockchain technology. "We have millions of customers who use Cash App as their 'primary bank,'" Jennings said, noting the company has 50 million money active users. "We can lean into that for proactive intelligence for AI."

New products include "bots" for consumers and merchants, using generative and agentic AI to connect users to merchant services, financial products and digital payment "buttons."

"Most AI programs have the consumer prompt the AI tool, so the user has to figure out the right question to ask," Jennings said. "I don't think that's the right prompt. [Block's] bot has prompts around spending or how the user approaches investment diversification, for example. We build proactive intelligence models on top of our data foundations."

## Room for banks?

The growth of fintechs that offer a combination of digital payments, blockchain or AI-powered transactions, can be a threat to banks, Tony DeSanctis, a senior director at Cornerstone Advisors, told American Banker.

DeSanctis said he's tracking five major payment fintechs that have introduced debit cards in recent years—Affirm, Sofi, Block, PayPal and Chime—that total about 55 million debit cards.

"There's a billion debit cards total, so on a percentage basis that doesn't seem scary," DeSanctis said. "But these firms have gone from zero to 55 million in five years, maybe even less."

These fintechs are "picking at the edges" of the banking market by targeting niche populations that are amenable to using fintechs, such as younger consumers or digital natives.

"This gives these firms an advantage against not only mega banks but also community banks as well," DeSanctis said.

Payment technology companies have also had a headstart on developing cryptocurrency strategies and are pushing banks to respond.

"Companies like PayPal, Block, and Circle are accelerating the direction the industry was already heading," James Wester, director of payments for Javelin Strategy & Research, told American Banker. "Their impact is in defining the first practical use cases for AI and blockchain and then showing how the technologies work in practice so the rest of the industry can adopt them safely."

These firms move faster than traditional banks in getting products to market, and once the models are on the market, banks can pick and choose the right use cases and scale it within their more regulated and risk-averse environments, Javelin's Wester said. "Over the next year, these firms will shape expectations simply by showing what's possible and influencing where the market goes."

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