

CEO Corner: Transforming Merchant Acquiring Through Switch-to-Issuer Routing

In the rapidly evolving payments landscape, merchant acquiring has remained surprisingly static. For decades, the traditional acquiring model has centered on routing transactions through legacy networks and intermediaries, resulting in unnecessary friction, limited transparency, and missed opportunities to deliver real business value to merchants.

At our company, we believe it's time to rethink this paradigm. By modernizing the payments stack and introducing direct "switch-to-issuer" authorization routing, we're transforming how transactions move and, more importantly, what merchants can gain from them.

Optimized Interchange & Improved Economics

Switch-to-issuer routing allows us to dynamically select the most efficient and cost-effective path for each transaction. This optimization translates into meaningful interchange savings across a wide range of merchant categories. Rather than relying on static rules and legacy paths, our platform intelligently routes transactions in real time driving cost reductions and better margins for merchants.

Higher Authorization Reliability & Approval Rates

Traditional acquiring paths often involve multiple intermediaries, adding latency and potential points of failure. By connecting directly to issuers, we reduce hops, increase speed, and materially improve authorization reliability. Merchants benefit from higher approval rates and fewer lost sales and a direct boost to their top line.

Actionable Data & Business Intelligence

But perhaps the most transformative change lies in the data layer. Each transaction routed through our platform generates rich, structured data that merchants can actually use. We deliver ongoing business intelligence, powering:

- More targeted and effective marketing programs
- Insights to guide new location expansion
- Granular visibility into customer behavior and operational performance

These data services turn payments from a utility into a strategic asset.

Redefining the Merchant Acquirer's Role

Historically, merchant acquirers have occupied a wide space in merchants' operational environments but provided relatively little value beyond processing. That changes with our approach. By pairing next-generation payments infrastructure with deep, merchant-facing data services, we are redefining what it means to be a merchant acquirer.

We don't just process transactions. We help merchants grow, operate smarter, and compete more effectively.

Frequently Asked Questions: Switch-to-Issuer Routing

What is switch-to-issuer routing?

Switch-to-issuer routing is a modern transaction processing method that connects directly to the card issuer—bypassing multiple intermediaries in the traditional acquiring path. This direct connection reduces latency, lowers costs, and improves authorization reliability.

How does it benefit merchants financially?

By dynamically selecting the most efficient and cost-effective route for each transaction, merchants can achieve significant interchange savings. This optimization directly improves margins and helps businesses retain more revenue per transaction.

Does switch-to-issuer routing improve transaction approval rates?

Yes. Traditional routes involve multiple hops between networks and processors, which can cause delays or failures. A direct issuer connection streamlines this flow, resulting in higher authorization rates and fewer lost sales opportunities.

How does this model impact data and insights?

Each transaction generates structured, actionable data that merchants can use for business decisions. This data helps identify customer patterns, optimize marketing, plan new locations, and measure operational performance in real time.

Is switch-to-issuer routing compatible with existing systems?

Most modern payment infrastructures can integrate with switch-to-issuer models through API-based connections. For merchants, this means faster onboarding and minimal disruption to existing operations.

How does this redefine the role of merchant acquirers?

Traditional acquirers focused primarily on processing transactions. Today's next-generation acquirers—those leveraging switch-to-issuer routing—deliver deeper business intelligence, operational visibility, and strategic insights that help merchants grow and compete more effectively.

What types of merchants benefit most from this technology?

While all merchants can see value, those with high transaction volumes, tight margins, or multi-location operations stand to gain the most from the cost savings, speed, and intelligence enabled by direct issuer routing.

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