

8 ways to increase interchange

The Holy Grail of Non-Interest Income

Finding steady revenue is a constant challenge for most financial institutions, which is why interchange remains such a dependable part of the bottom line. From super apps and real-time payments to big tech offering their own cards, the competition for traditional financial services is coming from every direction. With interchange being a vital component of overall financial performance, here are eight ways you can move the interchange needle.

1. it's not rocket science

The fundamental key to increasing interchange is expanding your cardholders and motivating them to use your cards. This certainly sounds simple, but in today's highly competitive cards space, keeping your cards top-of-mind, wallet, and app is a big, never-ending challenge. Card programs must be continually elevated to remain relevant and competitive, and to support your interchange-building usage and retention goals. Two great places to start: 1) empowering your cardholders with anytime, anywhere self-service apps seamlessly embedded in your digital banking experience, and 2) offering meaningful, highly personalized rewards programs that incentivize cardholder behavior.



2. math is fun

To improve anything you must accurately and continually measure it. To improve card program performance, you must benchmark current cardholder behavior, leverage those benchmarks to identify realistic goals to improve card usage, launch practical plans to achieve those goals, and establish clear KPIs. Improving card programs takes actionable insights which should be based on three fundamental metrics:

- **Penetration** – Determine how many of your accounts are eligible for cards and match those accounts to your cardholder base. Eligible cardholders without your cards represent immediate, highly targeted opportunities to market your cards.
- **Active Rate** – Determine the cards that weren't used during a specific time period. With the help of some analytical thinking and historic and competitive transactional data, identify the possible reasons why your cards aren't being used and develop an action plan to address them.
- **Usage** – Determine the industry average of monthly transactions per cardholder, compare it to your cardholders, and launch a plan to motivate your below-average cardholders to use your cards for more transactions.

These three highly targeted gap lists are the proverbial fish in a barrel. The data is all there, patiently waiting for the analytics that will convert it into the actionable insights you need to grow your cards programs. And this fun with math should be a recurring, strategic exercise for every bank and credit union.

3. less is more

The original Durbin Amendment included in the Dodd-Frank Act requires issuers to provide a choice of at least two unaffiliated networks for routing debit transactions. In the name of least-cost routing, the amendment also enables merchants to choose which network they use. Today, many banks and credit unions support more networks than the two required. It's a given you want to balance compliance and being both



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competitive and fair with your merchant account holders, but reducing your network relationships could accomplish those goals while optimizing your interchange opportunities.

4. networking opportunities

Payments networks are not all created equal and neither are their interchange fee structures. The fee differences might seem negligible and not worth the effort to do some number crunching, much less change networks. But considering the networks you partner with literally impact your bottom line, do yourself a big favor and multiply the differences in per-transaction fees by your total number of transactions last year. For many banks and credit unions, the seemingly negligible suddenly becomes consequential.

5. extra credit

Recent studies show consumer preferences between debit and credit are nearly balanced - about 38% favor each payment option.¹ Yet, credit card purchase volume has risen by 13% since 2022. With 78% of U.S. adults holding at least one credit card, credit remains appealing to consumers for their rewards, fraud protection, and ability to finance larger purchases.² Although the proposed Credit Card Competition Act may one day create more interchange competition for credit card processing, the Durbin Amendment still only applies to debit transactions. To protect revenue and meet evolving expectations, banks and credit unions should diversify beyond debit by launching or modernizing their credit programs.

6. experience required

In the digital era, user experience is king and translates into user adoption and loyal customers. Consumers also expect every interaction and transaction, including card interactions and transactions, to be experience-driven. For example, card programs must strike the delicate balance of mitigating fraud while delivering a frictionless transaction experience. Card programs must leverage experience innovations like instant issuance to be relevant. And the competition for cardholder



84% of consumers said having the option to pay by credit is a must, and those earning \$100,000+ a year prefer credit over debit.

experience has never been more intense. With traditional competitors, opening a new demand deposit account (DDA) with a supporting debit card or applying for a credit card takes about five minutes. Accountholders can open those accounts with a credit union down the street, a bank across the country, or a fintech or big tech in the palm of their hands. With the non-traditional competitors, fintechs and big techs are targeting some of the most profitable financial services – like cards – and they are leveraging tremendous brand equity and loyalty to introduce this traditional financial service with an elegant, engaging, contemporary user experience. With cardholder experience evolving from a competitive differentiator into a competitive necessity, every bank and credit union must obsessively pay attention to the experience their card programs provide.

7. partners in crime (crime prevention, that is)

It's a hard, cold fact that card fraud is inevitable, pervasive, and growing. And today, how you fight it has two important considerations. First, the fraud headlines provide banks and credit unions with a unique competitive advantage. While fintechs and big techs are leveraging their enviable brands to attract millions of cardholders, most consumers and businesses currently trust financial institutions more than these non-traditional competitors for one reason – they believe banks and credit unions are more accessible and willing to resolve fraud-related issues. Second, no bank or credit union can fight fraud without proven partners deploying multi-layered solutions and modern capabilities like real-time scoring of all card transactions. It's impossible to increase card usage and ultimately interchange without cardholder confidence.

8. get a little help from your friends

Modern card programs are inherently complex, and most banks and credit unions don't have the resident expertise, staff, budget, or time to maximize program performance and organic growth which



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ultimately drive interchange. You should expect more from your card partner than secure transaction processing. Look for added value such as consulting services that deliver expert guidance, practical strategies, and proven best practices for developing new card programs or reinventing existing ones. Your partner should help manage costs and profitability, create competitive pricing models, and design meaningful loyalty programs. Additional support can include complimentary marketing campaigns and resources to drive card adoption and usage, as well as easy access to cardholder and transactional data with intuitive analytics tools that turn data into actionable insights.

Like all payment channels, cards are changing to meet today's expectations for experience-driven interactions and transactions. But one thing that won't change is the importance of interchange and the need for every bank and credit union to develop and deploy dynamic strategies to expand and retrain your cardholders and motivate them to use your cards more. There's never been a more important time to reinvigorate your cards programs with an enterprise-wide commitment to program reinvention, modern strategies, high-touch partners, and state-of-the industry technology.

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sources

1. [Velera's 2025 Eye on Payments Study Reveals Consumers Want it All: Choice, Convenience and Confidence](#), Valera, accessed January 13, 2026.
2. [Trends and Takeaways from the 2025 Credit CARD Act Report](#), Orrick, accessed January 13, 2026.