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Datos Matrix: Virtual Account Management Providers

A full copy of the 42-page report is available through the [Datos Insights website](#)

Prepared for:

CASHFAC

Overview and Methodology

Midsized banks face mounting pressure to adapt and innovate in an evolving financial landscape. Embedded banking, fintech partnerships, and instant payments are redefining the industry, and legacy systems are struggling to keep pace.

This report examines software vendors that provide virtual account management (VAM) solutions to enable midsized banks to compete against larger institutions. These technologies help banks align their accounting frameworks with corporate ledgers, simplify the corporate onboarding process, and maintain continuous 24/7 service availability.

For large and midsized banks seeking to navigate disruption, drive revenue growth, and enhance customer experiences, embracing virtual ledger technology is not an option but an imperative.

Methodology

This research leverages the Datos Matrix, a proprietary Datos Insights vendor assessment framework that focuses on vendor capability (stability, client service, and product features) and performance (client satisfaction, implementation success, and client outcome) to differentiate the market leaders from contenders and emerging/niche options.

Datos Insights applied the following criteria to develop a list of vendors for participation:

- Bank awareness of the vendor as a provider of a viable VAM offering
- Ability to offer a full out-of-the-box VAM solution (as opposed to just components of one)
- Capabilities suitable to meet the needs of middle-market and large corporate companies

Virtual Ledgers Empower Corporate Treasurers

- The core applications of enterprise systems, such as enterprise resource planning (ERP) and treasury management systems operate on ledgers (e.g., charts of accounts, accounts receivable/payables).
- Bank core applications operate on accounts (e.g., deposit accounts, checking accounts).
- Virtual accounts allow the creation of detailed virtual ledgers that bridge the gap between bank accounts and enterprise accounting systems, giving treasury professionals immediate visibility and management capabilities with real-time control and insights.
- Real-time data sync enables better cash flow forecasting and faster market response, while streamlining multi-entity and multicurrency liquidity management for global corporations.
- Ledgers provide C-suite with real-time strategic financial insights, supporting key business decisions with real-time intelligence.
- Key challenges for treasurers include system integration, addressing skill gaps, and data security.

Over 30%

of businesses already use or are plan to use virtual accounts in the next 12 months.

Key Trends Shaping the Market and Bank Needs/Strategies

Trends	Implications
Evolving dynamics impact business decisions	Banks are shifting to digital self-service and real-time capabilities. Regulations strengthen client money management, driving demand for virtual accounts and in-house solutions.
Regulatory changes	Regulatory changes such as ISO 20022, FDIC proposals, cryptocurrency regulations, PSD2, anti-money laundering (AML) and Know Your Customer (KYC) requirements, and data privacy laws are driving compliance needs and creating opportunities for virtual account solutions.
Technology evolution	Banks are embracing artificial intelligence (AI), real-time capabilities, cloud solutions, and self-deployment while exploring blockchain integration. Fintech competition intensifies as virtual accounts integrate with enterprise systems and support digital assets.
Continuous demands and solution enhancement requests	Corporate customers demand real-time API-driven operations, self-service dashboards, digital asset support, escrow functionality, multicurrency capabilities, and faster processing for payments and cross-border transactions. VAM fully support these needs.

The General Characteristics of Market Players

- Market players are focusing on digital transformation with self-service capabilities, enhanced liquidity management, and real-time reconciliation. They are moving toward embedded banking services, particularly for fintech vendors and large enterprises, while adapting to changing corporate customer expectations and macroeconomic volatility.
- Market players face challenges from AML and KYC regulations requiring stringent customer verification and transaction monitoring. PSD2 promotes open banking innovation, while Basel III mandates higher capital reserves and improved risk management.
- Market players are embracing real-time capabilities, open banking integration, and cloud and Software-as-a-Service (SaaS) solutions to deliver scalable, flexible services with enhanced API connectivity, while increasingly leveraging AI and machine learning (ML) for automation and improved analytics.
- Virtual ledger customers increasingly demand escrow functionality, multicurrency accounts, real-time capabilities, self-service dashboards, AI-driven automation, and support for new verticals like digital assets and stablecoins. Banks seek co-creation capabilities for more control over solution deployment.

Market Spending

Confidentiality clauses and reluctance from some vendors to disclose their software sales data hinder efforts to obtain precise revenue information. Consequently, the author opted to provide estimated cost differentials between licensing a vendor's VAM solution versus developing one internally. The most significant financial advantage of licensing is predictability and reduced risk, while the primary advantage of building is long-term cost control and avoiding vendor lock-in.

Category	Licensing a proven solution (estimate)	Building an in-house solution (estimate)
Up-front costs	US\$30,000 to US\$175,000 for initial implementation depending on the vendor and complexity	US\$2 million to US\$3 million build cost; US\$350,000 to US\$500,000 to hire developers, purchase tools, and set up infrastructure
Ongoing costs	Subscription or licensing fees, including cloud infrastructure (ongoing annual or monthly payments): US\$75,000 to US\$350,000 annually; US\$400,000 or more for national or multinational banks, as client volume affects cloud hosting cost)	Salaries for IT staff to manage updates, security, and compliance: Approximately 12% of initial development cost
Maintenance and upgrades	Included in the subscription, with regular updates and compliance adjustments provided by the vendor	
Time to market	Deployment within weeks or months	24 months

Technology Adoption

The typical VAM model yields 30% to 50% cost savings over traditional account management at scale, with the most significant reductions in operational and administrative expenses.

Category	Traditional bank account management	VAM
Account opening and maintenance	High administrative costs to open/maintain physical accounts; includes compliance, KYC, and manual processes	Lower administrative costs, as virtual accounts are managed digitally via self-service portals
Technology and infrastructure	Significant investment in legacy systems that are costly to maintain and upgrade	Lower costs due to integration with existing systems and cloud-based solutions for scalability
Compliance/KYC	High costs for managing compliance processes manually for each physical account	Reduced compliance costs, as KYC is centralized and not replicated across virtual accounts
Transaction costs	Higher costs due to multiple physical accounts requiring inter-account transfers and reconciliation	Lower transaction costs as virtual accounts streamline cash flow management without physical transfers
Customer service	Manual processes for account changes, queries, and transactions create resource-intensive customer service	Reduced customer service costs as clients manage their own accounts via self-service platforms

Factors for and Against Adoption

Adoption promoters

- **Regulatory frameworks** promote the use of virtual accounts by establishing trust, ensuring consumer protection, standardizing operations, and enabling bank-corporate transactions within controlled environments
- **Competitive pressure** drives financial institutions to offer enhanced flexibility, cost efficiency and customer convenience through VAs
- **Legacy system limitations** drive adoption of VAs for modern financial functionality and efficiency

- **Resource competition** from parallel projects drains expertise, budgets and focus, fragmenting organizational resources needed for transformation
- **Knowledge gaps** prevent virtual account adoption as users lack understanding of benefits and functionality
- **Complex legacy system integration requirements**
- **Commercialization uncertainty and unclear ROI** create implementation hesitation

Adoption inhibitors

Key Functionality Trends

Minimum requirements

API integration capabilities

- Integrates with multiple banking systems and payment rails
- Connects to industry-specific ERP and operational systems

Virtual ledger functionality

- Configurable to IBAN standards
- Supports payment initiation and transfers between virtual ledgers

Multicurrency support

- Account balances maintained separately in each currency
- Lending and borrowing rates across different currencies

Competitive differentiators

Allocation of deposits and payments

- Automatic allocation of funds from master account to virtual ledgers
- Streamlined distribution of deposits and payments

Regulatory reports

- Automatic creation of compliance documentation (e.g., OFAC, 1031, 1099)
- Automatic regulatory reporting

Differential KYC

- Varying KYC requirements based on hierarchy levels
- Tailored verification processes

Next-generation features

- Event streaming
- Virtual ledger integration
- Cross-border capabilities

Banks Consider Functionality, Platform, and Future Fit When Selecting a New Vendor Partner

Functionality

Real-time transaction processing:

Enables instant updates, visibility, and notifications for improved decision-making

API integration: Integration with ERPs and AR/AP platforms to streamline operations and enhance efficiency

Multicurrency and multi-asset:

Facilitates transactions across different currencies and asset types, addressing diverse financial requirements, especially during onboarding

Platform

Virtual ledger technology: Offers flexible accounting structures that interface with multiple payment rails, enabling banks to meet diverse financial needs

Stand-in ledger capability: Ensures 24/7 availability for instant payments by acting as a shadow core to maintain uninterrupted transaction processing during core banking system downtime

Hierarchical account structures:

Supports multilevel virtual account hierarchies, allowing for granular reporting, management, and fund at various levels (e.g., currencies, projects, subsidiaries)

Future fit

Forward-looking roadmap:

Offerings must expand capabilities in multicurrency support, real-time liquidity management, cross-border transactions, and integration with real-time payment networks

Culture alignment: Vendor and banks must align, sharing common goals and maintaining open communication and mutual understanding

Capability Evaluation

Vendor stability

The VAM platform landscape features established vendors with strong market presence across global regions. Leading providers demonstrate competitive stability with solid customer references and diverse implementation experience.

The sector modernizing its technology: Vendors are investing in cloud-native, API-driven architectures to support real-time transaction processing and embedded banking capabilities.

Vendors face challenges maintaining specialized expertise while innovating to address emerging use cases in banking-as-a-service (BaaS), corporate onboarding, and shadow banking implementations.

Client service

Leading platforms enable seamless transaction processing, information accessibility, and reporting. They support customized experiences that enhance client attraction and retention. Advanced platforms deliver API-driven architectures and real-time transaction capabilities and to support embedded banking functions across payment rails.

Successful players balance specialized expertise with continuous innovation, committing to strategic alignment with institutional priorities and implementation timelines.

Cashfac scored highest in this category due to client satisfaction in service and support.

Product features

Leading vendors excel in multilevel account hierarchies, real-time transaction posting, and advanced reconciliation capabilities. Top platforms offer API integration with ERP systems, multicurrency support, and self-service portals. The most innovative solutions provide virtual ledger functionality, enabling 24/7 operations across payment rails and stand-in processing during core banking outages.

Competitive differentiation stems from customizability and interoperability with existing systems.

Cashfac scored highest in this category for the solution's user interface and usability.

Client Outcome/Impact Evaluation

Client satisfaction

Functionality is important, but client satisfaction is becoming a key differentiator across vendors.

Vendors that score well in this category have a track record of meeting deadlines and delivering enhancements on time. Clients view them as partners. They provide recommendations and advice, and the market perceives them positively.

Cashfac scored highest in this category for its ability to help FIs create unique and personalized for client journeys.

Implementation success

Implementation quality is often a bank's first impression of a vendor. Vendors must create and meet realistic implementation timelines, with regular communication throughout. Further, upgrades and rollouts of new releases must be timely and efficient.

Vendors that score well in this category deliver on time, have regular releases, and provide the assistance necessary to ensure implementation success and a positive experience.

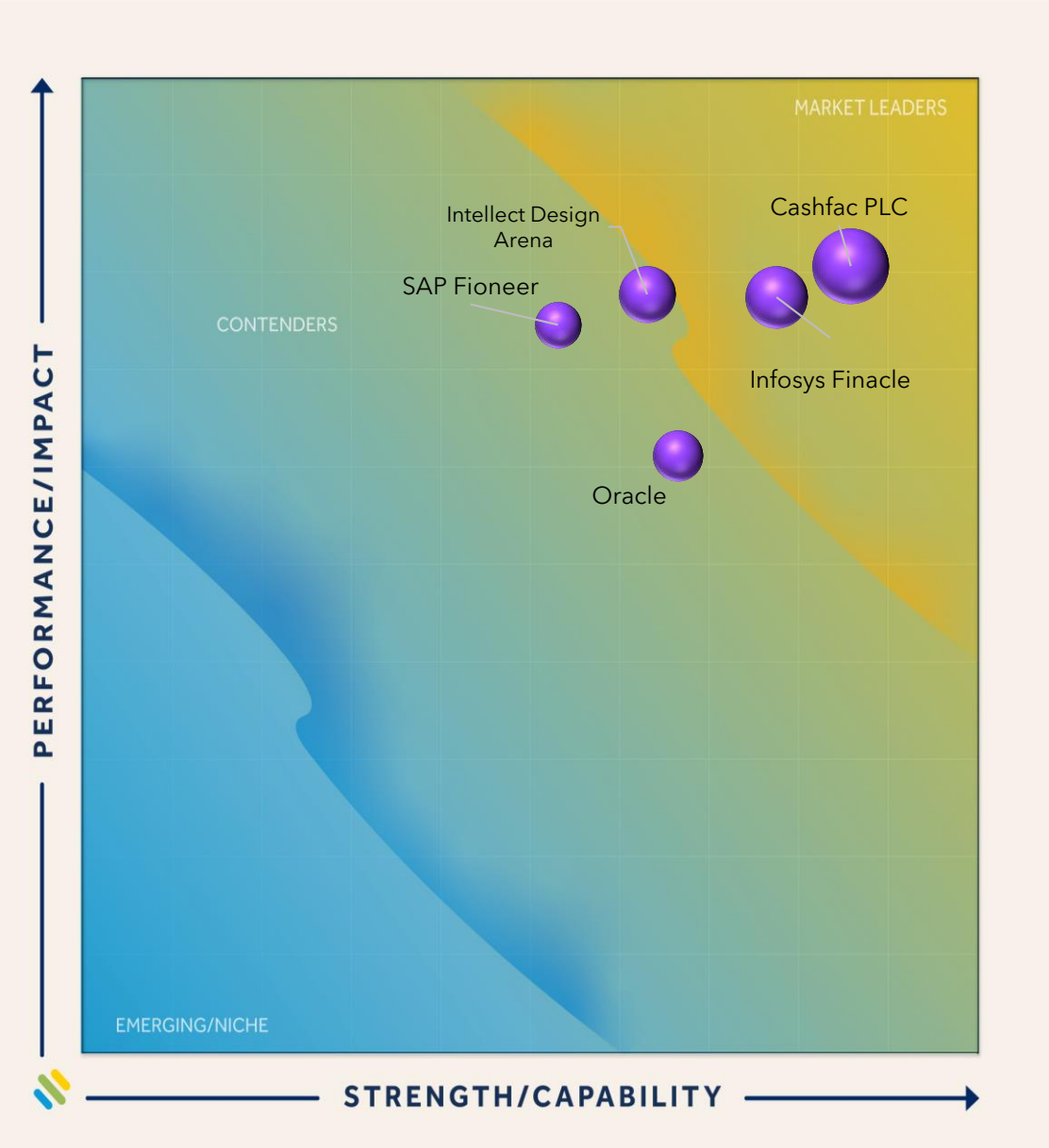
Cashfac scored highest in this category for the ease of upgrades experienced by clients.

Client outcome/impact

Having the right solution in place is important, but achieving desired outcomes is equally or more important.

This category measures how well solutions help banks meet goals and key performance indicators (e.g., differentiation, new client attraction and retention, a greater ability to cross-sell, efficiency, and tighter integration with third-party systems).

The Datas Insights VAM Matrix



The Profiled Vendor

Vendor	Product	Headquarters	Installations	Client base	Geographic coverage
Cashfac	Virtual Bank Technology	The U.K.	<ul style="list-style-type: none">• SaaS	<ul style="list-style-type: none">• FIs• Fund/wealth management• Municipalities• Real estate	The U.K., the U.S., Europe, and Asia-Pacific

Vendor Comparison

Datos Insights VAM Assessment	
	Cashfac
Integration and connectivity	●
Virtual ledger management	◐
Financial management and pricing	●
Financial management automation	●
Account customization and control	●
User experience (UX) personalization	●
Cross-border financial services	●
Payment innovation and integration	◐
Advanced financial management tools	●

Company overview	
CASHFAC	VAM solution for efficient cash-flow control
Founded	1999
Headquarters	The U.K.
Ownership	Private company

Sample clients




Product overview	
Product name	Virtual Bank Technology
Target customer base	Large global and regional FIs
Number of clients	62

Differentiating features and recent enhancements	Key roadmap focus areas
Mobile enabled client dashboards in Apple OS	Cashfac Co-Create empowers Bank Product teams to design more corporate UX and end-customer mobile access Automated order-to-pay-to-reconcile workflow with AI-powered matching in high-volume virtual accounts Cryptocurrency accounts integrated with USD accounts Market demand for real-time user journeys via the Virtual Account: payments, receipts and deposits, reconciliation, reporting, and analytics
Prebuilt verticals for high growth sectors in the U.S., including crypto, stablecoin, digital assets, healthcare	
Proprietary bank of APIs and software development kits for customizable user experiences	
Self-service dashboards in Power BI for bank and the client of the bank	
Payment initiation through virtual accounts for FedNow	

Business impact assessment

Cashfac faces impact from market trends including U.S. mid-market banks adopting VAM, FDIC proposals affecting custody deposits, and global family offices seeking enhanced cash operation controls. Regulatory changes center around ISO 20022, FDIC customer deposit proposals, and evolving US digital asset regulations. Technology influences include AI implementation, transition to real-time customer experiences, and increasing client demand for self-service “co-create” capabilities that allow banks to design and deploy solutions independently rather than relying on fintech delivery teams.

Overall assessment		Datos Insights features analysis	
<p>Cashfac is a strategic VAM provider with comprehensive capabilities beyond point solutions. Its platform operates across 18 industry verticals globally and features automated deposit allocation, double-entry accounting, and robust reconciliation. Its competitive edge comes from extensive industry coverage, implementation methodology, and partnership approach supporting evolving client needs. Its solutions include mobile dashboards, proprietary APIs, self-service reporting, and prebuilt integrations with over 40 ERPs and operational systems.</p> <p>U.S. commercial banks are experiencing strong growth in the US market, particularly those with assets exceeding US\$10 billion, and are pursuing many parallel initiatives to enhance their business and commercial banking propositions (e.g., FedNow, commercial cards, online banking). Cashfac has adapted its “Compact Implementation” approach to minimize the architectural and resource demand on a bank to allow parallel projects to continue.</p> <p>Cashfac is advancing its product roadmap with AI-driven transaction matching, cryptocurrency account integration, and enhanced self-service capabilities to maintain its market position against primarily in-house systems and smaller competitors.</p>		<p>Minimum requirements</p> <p>Cashfac excels in API integrations to ERPs and operational systems for the industry sectors covered</p>	<p>Competitive differentiators</p> <p>Virtual ledgers can be programmed with specific logic (e.g., one-time use, expiry dates, fixed amounts) at issuance</p>
		<p>Next-generation features</p> <p>Confirmation of Payee integrated with payment initiation</p>	
Datos Insights client outcome/impact analysis			
		<p>Client satisfaction</p> <p>Cashfac provides satisfactory customization support. It helps clients identify hidden costs. It is a reputable, committed, and proactive partner.</p>	
		<p>Implementation success</p> <p>Client responses highlight on-time delivery, reliable implementation, easy upgrades, and good API integration capabilities.</p>	
		<p>Client outcome/impact</p> <p>Clients show strong satisfaction with Cashfac’s solution that enhances client journeys, centralized payments, and cross-selling capabilities.</p>	
Datos Insights strength/capability analysis			
Vendor stability	Client service	Product features	
<p>Cashfac shows strong company stability through 28 years of market presence, positive profitability, high recurring revenue (80% to 89.9%), and steady growth (11% to 15%). Its position and sustainable revenue structure suggests long-term operational resilience despite its sub-US\$50 million size.</p>	<p>Cashfac has robust client service capability with average client tenure of over 10 years and over 95% retention rates. Its established presence across diverse FI segments and strong European footprint shows sustainable service delivery and consistent client satisfaction.</p>	<p>Cashfac delivers a comprehensive VAM solution with mobile capabilities, sector-specific verticals, extensive API connectivity, customizable dashboards, established ERP integrations, FedNow payment functionality, and migration tools.</p>	

Recommendations for Banks

- **Transform:** Legacy systems struggle to keep pace with embedded banking, fintech partnerships, and instant payments. VAM solutions enable midsize banks to compete against larger institutions by aligning accounting frameworks with corporate ledgers, simplifying corporate onboarding, and maintaining 24/7 service availability.
- **Optimize:** The virtual account model typically yields 30% to 50% cost savings over traditional account management at scale, with significant reductions in operational and administrative expenses. This includes lower costs for account opening, maintenance, compliance, KYC processes, and customer service through self-service capabilities.
- **Differentiate:** For large and midsize banks navigating disruption, driving revenue growth, and enhancing customer experiences, embracing virtual ledger technology is not merely an option—it's an imperative. Over 30% of businesses/corporates are already using or planning to use virtual accounts in the next 12 months, creating an opportunity to attract and retain corporate clients with sophisticated treasury needs.

Recommendations for Vendors

- **Innovate:** The VAM market is experiencing rapid growth driven by increasing demand for efficient cash management and digital banking solutions. Leading vendors must continue developing AI-powered capabilities, cross-border functionality, and enhanced self-service features to maintain competitive advantage and address evolving regulatory requirements.
- **Integrate:** As banks shift toward increased digital self-service and real-time capabilities, vendors must strengthen integration capabilities with multiple banking systems, payment rails, and industry-specific ERP systems. Successful vendors balance specialized expertise with continuous innovation, demonstrating commitment to implementation timelines and strategic alignment with institutional priorities.
- **Demonstrate:** Vendors must clearly articulate the value proposition of VAM solutions in terms of efficiency gains, regulatory compliance, and improved corporate customer experience. This includes showcasing capabilities such as multicurrency support, real-time liquidity management, cross-border functionality, and integration with real-time payment networks to overcome hesitancy around investing in non-mission-critical applications.

Related Reports

- [Datos Insights Vendor Guide: Virtual Account Management Platforms](#), August 2023
- [Virtual Account Management Platforms: Market Overview](#), June 2023

About Datos Insights

Datos Insights is the advisor of choice to the banking, insurance, securities, and retail technology industries—both the financial institutions and the technology providers who serve them. We help our clients make better technology decisions so they can protect and grow their customers' assets.

Our consulting and thought leadership delivery are set apart by the deep industry knowledge of our advisors, a long history of successful client partnerships, and a foundation of empirical research and data. Our advisors have been in our clients' shoes, so their counsel is rooted in real-world experience, not speculation. We are staffed for deep client partnerships—not for scale—and we offer open-door accessibility. Whenever clients need us, they can reach us.

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