FASTO

The Merchant's Guide to Boosting Approval Rates & Optimizing Payment Flows

Introduction

In the world of digital commerce, every transaction counts. A single failed payment can mean not just lost revenue but a lost customer forever. Whether you're a high-risk merchant or managing global payments, optimizing approval rates and transaction flows is key to growing your business profitably.

This guide will equip you with the strategies, tools, and real-world examples to improve your payment performance and maximize approval success.

Why Approval Rates Matter

Your approval rate reflects how many of your payment attempts are approved by banks and issuers. For online merchants, approval rates can range from 85% to 95%, while in-person payments can reach 97%.

What happens when approval rates are low?
- Lost sales and revenue.
- Increased customer churn.
- Higher operational costs due to support handling payment issues.

Boosting your approval rate even by 2-5% can significantly increase your bottom line.

Core Strategies to Improve Approval Rates & Payment Flows

1. **Smart Routing**
Direct each transaction through the acquiring bank or processor most likely to approve it, based on:
- Card type
- Customer location
- Historical success rates

Benefit: Can improve approval rates by 4-6%.

2. **Network Tokenization**
Tokenization replaces sensitive card data with a unique, secure token recognized across the payment ecosystem.

Key Advantages:
- Increases approval rates by 2-5%.
- Reduces fraud exposure.
- Ensures recurring payments remain uninterrupted.

Example: PayPal reported a 1% uplift in approval rates after implementing network tokenization. Visa and Adyen partnerships achieved up to 7% improvement in certain regions.

3. **AI-Powered Transaction Screening**
AI pre-screens transactions before they hit your acquirer, detecting risks and fraud patterns in real time.

Key Impact:
- Reduces false declines by up to 30%.
- Prevents shadow banning by acquirers.

Example: TickPick recovered $3 million in revenue in just three months by using AI screening to approve transactions previously falsely declined.

4. **Account Updater Services**
Automatically refresh card details for customers using subscription or recurring billing models. This prevents declines due to expired or reissued cards.

5. **Automated Retry Logic**
Failed payment? Smart systems can retry later, during optimal times, or through alternative processors.

Outcome: Recovers revenue that would have been permanently lost.

6. **Balanced Fraud Prevention**
Avoid setting fraud filters too strictly. Instead, use adaptive models that adjust thresholds based on behavior and risk profiles to avoid blocking genuine customers.

7. **Monitor Decline Codes & Data**
Understand why transactions fail by reviewing decline codes regularly. This insight allows for targeted improvements and smarter decision-making.

Quick Checklist for Payment Optimization

1. Implement smart routing across multiple processors.
2. Enable network tokenization.
3. Integrate AI-powered fraud and risk screening.
4. Use account updater services.
5. Employ automated retry strategies.
6. Balance fraud prevention to minimize false positives.
7. Regularly analyze and act on decline data.
8. Optimize checkout UX to reduce customer errors.
9. Enable multiple payment methods for flexibility.
10. Work with a PSP that offers advanced payment technologies.

Real-World Case Summaries

- PayPal: 1% increase in approval rates with network tokenization.
- Adyen + Visa: 2-7% approval rate increase globally.
- TickPick: $3M revenue recovered through AI fraud screening.

Tips for High-Risk Merchants

High-risk merchants face greater scrutiny. To stay ahead:
- Monitor approval rates weekly.
- Work with multiple acquirers for risk diversification.
- Ensure robust KYC processes for your clients.
- Stay compliant with PCI DSS and other regulations.

About FastoPayments

At FastoPayments, we don't just process payments, we help merchants optimize every payment interaction for maximum revenue, security, and scalability.

Our Services:
- High-risk merchant accounts
- Smart routing capabilities
- Network tokenization solutions
- AI fraud screening tools
- Mass payouts and local payment methods

Ready to take your payments further?
Contact us today for tailored solutions to optimize your approval rates and transaction flow.

FastoPayments
 www.fasto.co
team@fasto.co

This guide is provided for informational purposes and reflects best practices as of 2025.