

THE DAILY PULSE

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PAYMENTS • BANKING • LENDING



📅 WEDNESDAY, OCTOBER 14, 2026

COVERAGE WINDOW: OCTOBER 7–14, 2026

THIS WEEK IN BRIEF



Financial-crime enforcement dominated the week as Treasury and the OCC hit Bank of America with more than \$1.21 billion in anti-money-laundering and sanctions penalties, days after a \$350 million order against American Express. Strong third-quarter bank earnings, a fresh fintech charter bid, and tighter small-business and auto credit rounded out a cautious lending backdrop.

📄 PAYMENTS & STABLECOINS

[Bakkt Picks Thredd to Launch Stablecoin Card Program](#)

PYMNTS · Oct 13

Bakkt has selected payments processor Thredd to help launch a U.S. credit card program that would settle in stablecoins, according to an October 13 press release. Thredd will provide card processing and credit infrastructure along with tokenization, digital wallet integration, fraud and risk management, and loyalty services, while partner banks issue the consumer credit products. PYMNTS reports the companies are targeting an initial proof of concept for the first half of next year, “subject to product readiness, bank and network requirements, and approvals.”



WHY IT MATTERS

Bakkt becomes one of the few early card issuers on stablecoin rails. A stablecoin-settled consumer credit card is an early test of whether digital-dollar rails can sit underneath mainstream card products rather than remain a crypto-native niche. The open question is whether consumers and partner banks see enough benefit to adopt it at scale.

📄 PAYMENTS & STABLECOINS

[How real-time pay is pressuring bank authentication](#)

American Banker · Oct 12

American Banker reports that the rapid growth of instant payments is straining how U.S. banks verify who is on the other end of a transfer, because there is “no single centralized way” to confirm an account is open, active and owned by the intended recipient. Verification practices vary widely — from slow microdeposits to manual name checks to little or no checking — and real-time rails leave little room to reverse errors or fraud. The piece notes the U.S. lacks the kind of mandatory confirmation-of-payee rules in place in the U.K. since 2020 and being phased in across the EU in 2026–2027, so tools such as the Fed's Payee Name Verification service remain largely voluntary.

WHY IT MATTERS

Fraud losses and liability questions rise as instant payments scale, and the absence of a federal verification mandate pushes the cost and reputational risk onto individual banks. Institutions that invest early in payee validation and AI-driven risk profiling stand to gain both a loss-prevention and a trust advantage.

PAYMENTS & STABLECOINS

[Visa makes progress in China, but still faces hurdles](#)

American Banker · Oct 13

China's central bank approved Visa's application to prepare for a domestic card-clearing business in the country — a preparatory approval, not a final operating license — American Banker reported October 13. CEO Ryan McInerney called it a significant step after more than 40 years of limited operations in China, though analysts cautioned the path is long: per the article, the approval “allows Visa to move forward with the regulatory process but does not permit it to begin operation.” Mastercard and American Express already clear payments in China through local joint ventures, while Visa is seeking a wholly owned business.

WHY IT MATTERS

Direct access to the world's largest card market is a long-sought prize, and a wholly owned clearing business would give Visa more control than the joint-venture route rivals took. Entrenched incumbents such as UnionPay, Alipay and WeChat Pay mean licensing is only the first hurdle before any meaningful volume.

BANKING & REGULATION

[US Fines Bank of America \\$1.2 Billion, Alleging AML and Sanctions Violations](#)

PYMNTS · Oct 13

Three federal agencies imposed penalties totaling more than \$1.21 billion on Bank of America over alleged anti-money-laundering and sanctions failures, Treasury announced October 13. FinCEN assessed a \$1.2 billion penalty, saying the bank failed to timely report over \$5 billion in suspicious transactions and admitted willfully violating the Bank Secrecy Act; the OCC added a \$750 million civil money penalty — its largest ever against a bank — and OFAC reached an \$11.6 million sanctions settlement. Treasury Secretary Scott Bessent said the actions “send a clear message that even the biggest financial institutions are not above the law,” and the bank said it would take a non-tax-deductible \$1.2 billion charge in its third-quarter results.

WHY IT MATTERS

The scale, and the OCC's record penalty, signal that AML/BSA enforcement remains aggressive against even the largest banks and that unresolved consent orders carry escalating cost. Expect compliance spend and board-level attention on financial-crime controls to climb across the industry.

BANKING & REGULATION

[Solid consumer results at Wells Fargo propel larger profits](#)

American Banker · Oct 13

Wells Fargo posted third-quarter net income of \$5.95 billion, or \$1.87 per diluted share, topping the \$1.85 consensus as consumer results drove profits higher, American Banker reported October 13. Revenue was \$21.9 billion, net interest income rose about 5% to \$12.5 billion, and average loans and deposits each climbed 11%, to \$1.03 trillion and \$1.48 trillion. CFO Mike Santomassimo said “wages are largely keeping up with inflation,” and the bank reiterated a roughly \$50 billion net-interest-income target for 2026; shares still closed down 3.1%.

WHY IT MATTERS

The quarter shows a post-asset-cap Wells Fargo leaning into balance-sheet growth, with double-digit loan and deposit gains underpinning spread income. It is not entirely clear how much of Wells Fargo's growth is a reflection of consumer spending vs. taking share from competition.

LENDING & CREDIT

[Chase Auto originations drop 10% YoY in Q3](#)

Auto Finance News · Oct 13

JPMorgan Chase's auto-lending originations fell year over year in the third quarter as the bank tightened credit access, Auto Finance News reported October 13, with the pullback coinciding with improved delinquencies and net charge-offs. On the earnings call, CFO Jeremy Barnum cautioned that "overall consumer health might be challenged by additional Federal Reserve interest rate increases through the end of the year."

WHY IT MATTERS

A large prime lender deliberately shrinking originations to protect credit quality is a notable defensive signal about the consumer heading into a higher-for-longer rate stretch. If other lenders follow, auto-credit availability could tighten just as affordability is already strained.



WHAT TO WATCH

[Pennymac adopts VantageScore as bi-merge debate heats up](#)

American Banker · Oct 6

Stay ahead of what's moving markets, regulation, and the business of banking.
