DUE DILIGENCE

Meridian Payments Group (illustrative sample)

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Executive Summary

Meridian is a credible mid-market processor with a defensible vertical niche, but interchange compression and an unresolved regulatory review make the current ask hard to justify without audited settlement data.

> ILLUSTRATIVE SAMPLE — Meridian Payments Group is a fictional company. Every figure, source and finding below is invented to demonstrate report structure and analytical standards. Nothing here describes a real business. Meridian Payments Group is a privately held payments processor serving mid-market retail and hospitality merchants across the UK and Ireland. It has grown steadily on a genuine niche — same-day settlement for high-turnover hospitality — but that niche is the subject of an open regulator conduct review, and its take rate is under structural pressure from interchange compression. No audited financial statements are publicly available, so every revenue and margin figure here is a company claim or a press estimate.

KEY FINDINGS

Meridian processed an estimated £4.2B in payment volume in 2025 across roughly 11,400 merchants, concentrated in hospitality and specialty retail. [S42EC57, S77E71F] MEDIUM

Company overview states 11,400 merchants; the Series C announcement cites '£4.2 billion processed annually'. Both are company-sourced and neither is audited.

Same-day settlement is the actual product differentiator, not price — Meridian's headline rate sits above two named competitors. [S070559, S42EC57] MEDIUM

Trade coverage positions Meridian as a settlement-speed specialist competing on cash-flow timing rather than processing cost.

An open regulator conduct review into settlement delays targets the exact capability the company is sold on. [SB2A281] MEDIUM

The regulator's notice names settlement timing as the subject of the review. No outcome, remedy or deadline is on the public record.

Two enterprise accounts were lost to larger rivals in the first half of 2026, but the revenue exposure is unknown. [SF3F43C] LOW

Trade reporting names the losses without disclosing contract values or what share of volume they represented.

No audited financials, customer-concentration data, or settlement-reserve disclosure exists in any public source. [S1379E8] HIGH

The registry annual return carries headline figures only. Every margin, retention and reserve figure would have to come from the data room.

CRITICAL RISKS

- Open regulator conduct review into settlement delays, with no published outcome, remedy or timeline — and it targets the company's core differentiator.
- Interchange compression is squeezing take rate across the whole mid-market segment; Meridian's premium pricing has no disclosed cost advantage behind it.
- Active litigation from a vendor coalition over chargeback handling, with no docket entry indicating settlement or dismissal.
- Customer concentration is entirely undisclosed; two enterprise losses in six months suggest the top of the book may be thinner than headline merchant count implies.
- CTO departure in June 2026 with no announced successor, against a product whose entire claim is settlement infrastructure reliability.

RECOMMENDED ACTIONS

- Require audited financial statements for FY2024 and FY2025 before pricing the deal — no public figure here is audited.
- Obtain the regulator's correspondence file and any draft remedy in diligence; treat an adverse finding as a repricing event, not a disclosure item.
- Request merchant-level revenue concentration for the top 20 accounts, plus 24-month gross and net retention.
- Get settlement-reserve policy and historical reserve balances — a same-day settlement product carries float risk that headline volume hides.
- Confirm the chargeback litigation's status directly from counsel, including any settlement reserve already booked.
- Establish who owns settlement infrastructure post-CTO departure, and whether key engineers are under retention.

CONFIDENCE

LOW Low, and the reason is worth stating plainly rather than burying. The strategic picture — what Meridian sells, to whom, and the pressures on it — is coherent and corroborated across sources. But not one source in this evidence base is a primary record: there are no audited financial statements, and every revenue, volume and margin figure traces back to the company or its investors. Two material matters, the regulator conduct review and the chargeback litigation, are open with no public resolution. That combination does not support a confident valuation, and a report that sounded confident here would be misleading rather than useful. Confidence would move to medium with the regulator's correspondence file and the litigation status, and to high with audited FY2024–FY2025 statements and merchant concentration data. The Recommended Actions above are ordered to close exactly those gaps.

Company Overview

Meridian Payments Group Ltd

A payments processor serving mid-market retail and hospitality merchants in the UK and Ireland, differentiated on same-day settlement rather than processing price.

FOUNDED	2016
HEADQUARTERS	Manchester, United Kingdom
EMPLOYEES	approximately 240 (company-stated, not filed)
OWNERSHIP	Private; venture-backed through a Series C in November 2025

BUSINESS MODEL

Transaction fees on processed volume, plus a monthly platform fee per merchant location and a premium tier for same-day settlement. Revenue scales with merchant turnover rather than headcount, which makes hospitality seasonality a direct revenue input.

PRODUCTS AND SERVICES

- Card-present processing with integrated terminals
- Online checkout and hosted payment pages
- Same-day settlement (premium tier, the primary differentiator)
- Merchant cash advance against forward receivables
- Reconciliation and payout reporting

FINDINGS

Meridian operates in two markets only — UK and Ireland — with no disclosed expansion plan. [S42EC57] MEDIUM

The company overview lists UK and Ireland coverage; no other jurisdiction appears in any source.

The merchant agreement permits Meridian to delay settlement at its discretion for risk review, with no stated maximum period. [S6A8B50] HIGH

The Merchant Services Agreement reserves a discretionary risk-hold on settlement without a defined cap.

Financial Profile

No audited statements are publicly available. The figures below are company claims or press estimates and should be treated as unverified inputs, not established facts. The registry annual return carries headline figures only and does not break out revenue, margin, or reserves.

METRIC	VALUE	PERIOD	SOURCES
Payment volume processed	£4.2B (estimated)	FY2025	S77E71F
Merchants served	~11,400	as at 2026-03	S42EC57
Most recent funding round	$48M Series C	2025-11	S77E71F
Headcount	~240 (company-stated)	2026	S42EC57
Revenue	not disclosed	—	S1379E8
Gross margin	not disclosed	—	S1379E8

FUNDING HISTORY

A $48M Series C led by Kestrel Ventures closed in November 2025. Earlier rounds are not disclosed in any public source, so total capital raised, the preference stack, and post-money valuation are all unknown — each of which materially affects deal structure.

PROFITABILITY

No public basis for assessment. The Series C announcement describes the company as 'approaching breakeven', which is a company claim with no supporting figure and no stated definition of breakeven.

DISCLOSURE GAPS

- No audited financial statements for any period
- Revenue, gross margin, and take rate all undisclosed
- No customer-concentration data — top-account share of volume unknown
- Settlement reserve policy and historical balances not published
- Total capital raised and liquidation preference stack unknown
- No churn, gross retention, or net revenue retention figures

FINDINGS

Every revenue-adjacent figure in the public record originates with the company or its investors; none is independently verified. [S42EC57, S77E71F, S1379E8] HIGH

Volume and headcount trace to the company overview and the Series C announcement. The registry return adds no financial detail.

Market Analysis

MARKET DEFINITION

UK and Ireland mid-market card acquiring and processing — merchants roughly £1M–£50M annual turnover, predominantly hospitality and specialty retail. Deliberately narrower than 'payments', which would flatter the opportunity by including segments Meridian does not serve and could not serve without a different licence posture.

SIZE AND GROWTH

Analyst coverage puts UK/Ireland mid-market acquiring at roughly £310B annual processed volume growing in the mid single digits. That figure comes from a single analyst source and is not corroborated; treat it as an order-of-magnitude input.

GROWTH DRIVERS

- Continued card displacement of cash in hospitality
- Merchant demand for faster settlement as working-capital costs rise
- Integrated software-plus-payments bundling raising switching costs

HEADWINDS

- Interchange compression squeezing take rate across the segment
- Larger platforms moving down-market with aggressive pricing
- Regulatory attention on settlement timing and merchant fund handling

SEGMENTATION

Hospitality is the concentration, and it carries seasonality and higher chargeback rates than specialty retail. Volume-weighted exposure by segment is not disclosed anywhere public.

REGULATORY CONTEXT

Payments regulators have increased scrutiny of settlement timing and merchant fund safeguarding. Meridian is the subject of an open conduct review on exactly this issue, which makes the general regulatory trend a specific company risk rather than background.

FINDINGS

Interchange compression is a structural margin headwind across the whole segment, not a company-specific problem. `[SE04E30, S070559]` MEDIUM

Trade analysis describes take-rate compression affecting mid-market processors generally.

Market sizing rests on one analyst source with no corroboration. `[S087B17]` LOW

The £310B figure appears in a single analyst update; no second source states a comparable number.

Competitive Landscape

MARKET STRUCTURE

Fragmented at the mid-market tier and consolidating from above. Large platforms compete on price and breadth; a handful of specialists compete on a single capability. Meridian is in the second group.

COMPETITOR	POSITIONING	THEIR EDGE	SUBJECT'S EDGE
Global-scale platform acquirers	Breadth and price; payments as one module in a wider financial stack.	Materially lower headline rates, deeper integrations, and international coverage Meridian cannot match.	Standard settlement timing and thin sector-specific support for hospitality operations.
Incumbent bank acquirers	Bundled with business banking; distribution through existing relationships.	Trust, balance-sheet strength, and an existing banking relationship with the merchant.	Slow onboarding, dated terminal estate, and little appetite for high-chargeback hospitality.
Vertical hospitality software vendors	Payments attached to booking and EPOS software the merchant already runs.	Own the merchant workflow, which makes payments a default rather than a decision.	Payments is a secondary product; settlement and risk tooling are less developed.

DIFFERENTIATION

Same-day settlement for high-turnover hospitality is a real and specific advantage — it addresses working capital, which is the binding constraint for that merchant type. The defensibility question is whether it is a durable capability or a temporary willingness to carry float risk that a better-capitalised rival could simply match. Nothing in the public record settles that, and it is the single most important thing to establish in diligence.

SWITCHING COSTS

Moderate and asymmetric. Terminal estates and integrations create friction, but a merchant already receiving same-day settlement elsewhere would face little cost to move. Contract terms and notice periods are not public.

FINDINGS

Meridian lost two enterprise accounts to larger rivals in H1 2026, but the revenue impact is undisclosed. [SF3F43C] LOW

Trade reporting names the departures without contract values or volume share.

Risk Matrix

Two open matters dominate: a regulator conduct review aimed at the company's core differentiator, and unresolved chargeback litigation. Both are live with no public outcome. Structurally, take-rate compression threatens the margin story regardless of how either resolves.

RED FLAGS

- The regulator review targets the exact capability the acquisition thesis rests on, and has no published timeline.
- The merchant agreement permits discretionary settlement holds with no stated maximum — a same-day settlement promise the contract does not actually guarantee.
- No audited financials exist for any period, so no figure in this dossier can be relied on for pricing.

RISK	CATEGORY	SEVERITY	LIKELIHOOD	MITIGATION
Regulator conduct review finds against Meridian and imposes settlement-timing remedies The regulator's notice names settlement delays as the subject of the review. No outcome or remedy is on the public record. [SB2A281]	regulatory	CRITICAL	possible	Obtain the regulator's correspondence file and any draft remedy in diligence; model a scenario in which same-day settlement must be withdrawn or slowed.
Take-rate compression erodes gross margin faster than volume growth compensates Trade analysis describes segment-wide interchange compression; Meridian prices above rivals with no disclosed cost advantage. [SE04E30, S070559]	financial	HIGH	likely	Require historical take rate by cohort and quarter; test whether premium pricing has held or is already eroding.
Chargeback litigation results in a material judgment or settlement A vendor coalition docket is open with no entry indicating settlement or dismissal. [S3AEC1D]	legal	HIGH	possible	Confirm status with counsel; establish whether any settlement reserve is already booked.

RISK	CATEGORY	SEVERITY	LIKELIHOOD	MITIGATION
Undisclosed customer concentration means a single account loss materially moves revenue No concentration data is public. Two enterprise losses inside six months suggest the top of the book matters more than merchant count implies. [SF3F43C, S1379E8]	concentration	HIGH	unknown	Require top-20 merchant revenue share and 24-month retention before pricing.
Settlement float creates liquidity exposure under a volume shock Same-day settlement requires funding the gap between payout and receipt. No reserve policy or balance is disclosed. [S42EC57, S1379E8]	operational	MEDIUM	possible	Obtain reserve policy, historical balances, and any committed facility backing the float.
Loss of settlement-infrastructure expertise following the CTO departure The CTO left in June 2026 after four years with no announced successor, against a product whose claim is infrastructure reliability. [SE91700]	key-person	MEDIUM	possible	Identify the current owner of settlement infrastructure and confirm retention terms for key engineers.

Leadership

ASSESSMENT

A founder-led team with genuine sector depth in hospitality payments, now carrying an unfilled senior technical seat at the moment its core capability is under regulatory scrutiny. Public information on the wider team is thin — only two individuals appear in any source.

NAME	ROLE	BACKGROUND
Rosalind Achebe-Vance	Co-founder and CEO	Co-founded Meridian in 2016. Positions the company publicly around the mid-market squeeze and settlement speed. Prior background is not established in any public source.
Dermot Kyriakou	Chief Technology Officer until June 2026	Four-year tenure ending June 2026, covering the build-out of the same-day settlement platform. No successor announced in any public source.

KEY-PERSON RISK

Elevated and specific. The departing CTO owned the settlement infrastructure that constitutes the entire differentiation, and no successor is public. Whether that knowledge is institutionalised or walked out of the building is a diligence question with direct valuation consequences.

NOTABLE DEPARTURES

- CTO departed June 2026 after four years, no announced successor

FINDINGS

Only two executives appear anywhere in the public record; the wider leadership team cannot be assessed. `[SF0C78C, SE91700]` HIGH

A trade interview names the CEO and a news item covers the CTO departure. No other executive is named in any source.

Evidence Gaps

The following questions could not be answered from the sources retrieved. They are the natural starting point for the next research pass.

- No audited financial statements for any period — revenue, margin and take rate are all company-stated or absent
- No customer-concentration data; the revenue share of the top 20 merchants is unknown
- No outcome, remedy or timeline for the open regulator conduct review
- No docket entry showing settlement or dismissal of the chargeback litigation
- Settlement reserve policy and historical balances not disclosed anywhere public
- Total capital raised and the liquidation preference stack are unknown
- No churn, gross retention or net revenue retention figures
- No successor named for the departed CTO, and no public view of the wider leadership team

Sources

1. [S42EC57] Meridian Payments Group — Company overview — company_background
2. [S6A8B50] Meridian Payments Group — Merchant Services Agreement (2026-03-14) — company_background
3. [SF3F43C] Meridian loses two enterprise accounts to Adyen-class rivals (2026-05-08) — competitors
4. [S1379E8] Illustrative registry record — Meridian Payments Group Ltd, annual return (2026-04-30) — financials
5. [S77E71F] Meridian closes $48M Series C led by Kestrel Ventures (2025-11-02) — financials
6. [SE91700] Meridian CTO departs after four years (2026-06-25) — leadership
7. [SF0C78C] Meridian CEO on the mid-market squeeze (2026-04-18) — leadership
8. [S070559] Mid-market processing: the 2026 landscape (2026-02-20) — market
9. [S087B17] Payments infrastructure TAM and growth, 2026 update (2026-01-15) — market
10. [SE04E30] Interchange compression and the processor margin problem (2026-03-01) — market
11. [S3AEC1D] Illustrative court docket — Vendor coalition v. Meridian Payments Group (2026-06-11) — risks
12. [SB2A281] Illustrative regulator notice — conduct review into settlement delays (2026-07-02) — risks