



CASE STUDY

TowneBank Strengthens Merchant Services Program Through Partnership with Deluxe

Overview

TowneBank, headquartered in Suffolk, Virginia, is a relationship-driven community bank with a strong commitment to customer service and local connections. With more than 60 locations and \$18B in assets, the bank serves approximately 1,200 merchants through its dedicated in-house sales and support teams.

Challenge

Before partnering with Deluxe, TowneBank identified critical gaps with its previous merchant services provider:

- + Inconsistent service and slow response times frustrated merchants
- + Difficulty retaining merchants, straining growth, and credibility
- + Limited resources and support that made it hard to expand their merchant services program

TowneBank needed a partner aligned with its culture of caring, one capable of strengthening support, improving retention, and providing tools to drive sustainable program growth.

Why Deluxe

TowneBank chose Deluxe because of their ability to provide:

- + Advanced tools that significantly expand program growth, including data analytics, digital onboarding, marketing campaigns, and a full suite of product offerings
- + A dedicated conversion team to manage seamless, large-scale migrations
- + Fast, U.S.-based support that enhances TowneBank's personalized service model
- + Consolidation and management of multiple merchant portfolios seamlessly, simplifying operations

Conversion & Growth Highlights

- + **Smooth Portfolio Conversions:** Deluxe successfully converted two existing merchant portfolios on a tight timeline in early 2025. Weekly joint meetings, onsite support, and consistent updates ensured a smooth and efficient process.
- + **Acquisition Support:** Since partnering with Deluxe, TowneBank has acquired three additional banks, each with its own merchant services portfolio. Deluxe has supported future conversions, cash advance onboarding, and new team member integration.
- + **Cash Advance Expansion:** Each acquired bank entrusted Deluxe with branch-level cash advance business, expanding TowneBank's offerings and deepening the partnership.



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Rapid Response in Action

During a core system merger in June 2025, a technical issue impacted bill pay customers. To proactively address the inconvenience, TowneBank sent each affected member a gift check—an initiative that quickly became a daunting manual process.

Within 24 hours, Deluxe mobilized teams beyond merchant services and introduced **Deluxe Payments Exchange (DPX)** a payment solution that allowed TowneBank to deliver funds using only an email address or phone number. Just days later, payments were sent securely, complete with audit logs, reconciliation tools, and full tracking, minimizing the workload for TowneBank's internal teams while reinforcing its member-first reputation.

The solution delivered:

- + Speed and efficiency in resolving a large-scale issue
- + Cross-departmental collaboration across Deluxe to address a pressing need
- + Secure, audit-ready electronic logs and records
- + Simple reconciliation tools for TowneBank's accounting team
- + A cost-effective, digital-first option

Partnership Results

- + Increased merchant retention and satisfaction through stronger support
- + Seamless integration of multiple acquired banks and portfolios into one cohesive program
- + Expanded adoption of cash advance and payments solutions, driving new revenue
- + Reduced response times with U.S.-based service teams across both merchant and customer touchpoints
- + Data-driven insights, marketing support, and onboarding tools that continue fueling program growth

Conclusion

TowneBank's partnership with Deluxe illustrates how a culturally aligned, full-service approach to merchant services can unlock growth and deliver exceptional results. From complex portfolio conversions to rapid crisis response, Deluxe has provided TowneBank with the tools, resources, and enterprise expertise to scale its program, strengthen customer trust, and achieve long-term success.

TowneBank is Member FDIC