

iapp The RegTech Vendor Challenges and Opportunities

Organizations continue to look to their regulatory technology vendor partners to support their compliance journey. However, challenges in selecting, integrating and using selected tooling continue to present challenges. In some cases, organizations are looking to new vendors or building solutions in house.

Top customer challenges

- 51% → Poor data governance within customer organizations
- 49% → Standardized vs. customized tooling
- 45% → Vendor selection and contracting
- 45% → Legacy system integration
- 38% → Vendor lock-in concerns

Top drivers of vendor churn

- 41% → Unexpected price increases
- 40% → Security/privacy incidents
- 26% → Continued poor customer service

Opportunities

- Many compliance processes are still being managed manually, so automation is still a big opportunity.
- Organizations continue to use in-house solutions, creating opportunities for vendors to replace disjointed or outdated tools.
- The market appears highly fragmented, suggesting opportunities for platform consolidation.

Data source: IAPP Governance Survey 2026. Percentages may exceed 100% where respondents could select multiple answers.

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