

Why financial institutions must prioritize cross-border payments

Driven by the globalization of supply chains, advancements in payment technologies, regulatory pressures, and an increase in global e-commerce and remittances, the need for secure and cost-effective instant cross-border payment solutions is growing.

The value of cross-border payments is estimated to reach USD 250 trillion by 2027.¹

Several key initiatives, such as the BIS Nexus, OLO, Swift GPI, Swift Go, and numerous bilateral connectivity programs connecting the national instant payment systems between various countries, are being implemented to meet the growing requirements of cross-border payments.

42%

of respondents felt strongly that there would be an acceleration of cross-border, cross-currency instant and B2B payments in the next five years²

60%

of corporate banks agree that cross-border real-time payments infrastructure brings a revenue opportunity³

Fintechs are steadily capturing the business in instant cross-border payments

Customers are demanding more speedy, transparent, secured, and inclusive cross-border payment experiences. Financial institutions providing a dated payment experience are no longer acceptable to end-users.

Fintechs, with their modern technologies and customer-centric business strategies, have changed the playing field for the payments industry with considerable impact on cross-border payments.

Almost half of the banks believe that **10% or more** of their payments volume has already moved to a fintech provider⁴



Key hurdles for financial institutions relying on traditional methods in implementing a cross-border payments strategy:⁴

⊕ Hover over the bar for more information

High per transaction costs

Compliance / security concerns

De-risking

Overhead of managing multiple correspondent banking relationships

Fraudulent activities present significant threats to cross-border payments. Coupled with an increasing number of scams, erroneous payments are escalating the rate of payment failures, resulting in a poor customer experience in the cross-border payment sector.



Authorized push payment (APP) fraud resulted in a total loss of Euro **213.7 million** in the first half of 2024 in the UK alone⁵



50% of payment executives from leading financial institutions worldwide reported that they've lost more than 2% of their customers due to failures or delays in payments⁶



47% of payment executives from leading financial institutions worldwide reported a severe impact on customer retention because of broken or failed payments⁶

How Finastra is empowering financial institutions to unlock opportunities in cross-border payments

Finastra Global PAYplus, with its modern payment architecture, is enabling banks and financial institutions to overcome the challenges of traditional cross-border payment solutions, which are limited in speed, transparency, scalability, resiliency, security, and agility - all crucial for operating in today's 24x7 global economy.

Features of Finastra Global PAYplus include:



Unified and automated payments processing supporting multiple payment types including domestic and cross-border



Microservices-based modular architecture which is resilient and scalable to support instant cross-border payment requirements



Rapid integration and interoperability with existing payment systems through Open APIs



Pre-certified, highly configurable best practice business rules and business workflows to quickly introduce feature enhancements and minimize code changes



Centralized control and tracking of payment operations to deliver end-to-end visibility and transparency



Intuitive payments dashboards, reports, and analytics to deliver actionable operational insights



Flexible deployment options including cloud, on-prem, and hybrid environments



Maintaining connectivity to both Swift and non-Swift market infrastructures



Intelligent preprocessing services such as smart routing, mixed file handling, enrichment and validation, advising, and FX conversion, all of which increase automation



Accelerated payment services innovation and delivery of value-added services through our growing ecosystem of specialist fintech and cross-border services partners such as Visa Direct



Seeking a comprehensive strategy to navigate the complexities of cross-border payments? Concerned about fintechs encroaching on your market share? Curious about how strategic partnerships are enabling financial institutions to offer value-added services?

Download our detailed report to find the answers to these questions and discover how Finastra is enabling financial institutions to provide a faster, cost-effective, secure, transparent, and inclusive cross-border payment experience. Learn how your financial institution can seize cross-border payment opportunities and establish a roadmap for sustained growth and future innovation in instant cross-border payments.

References

1. Bank of England, [Cross-border payments](#)
2. PwC, [Payments 2025 & beyond](#)
3. Ormdia, [Embracing the Revenue-Generating Opportunities of a Modern Payment Hub](#)
4. Datos Insights (formerly Aite Novarica Group), [Payments Modernization and Technology in 2023](#)
5. UK Finance, [2024 Half Year Fraud Report](#)
6. LexisNexis Risk Solutions, [True Impact of Failed Payments Report](#)

All the data within the report is from industry and publicly available sources including Finastra sponsored research.

Finastra unlocks innovation across the world of financial services, through our trusted software and open platform. To find out more, visit finastra.com

**INNOVATING
FINANCE
TOGETHER**