



G20 Roadmap for Enhancing Cross Border Payments

Scorecard report on direct access
and price transparency

November 2024

7Wise

INTRODUCTION

Wise has produced this comprehensive analysis and scorecard of the G20 members and their progress toward achieving price transparency and enabling non-bank direct access to payment systems.

These factors are two of the priorities critical for radically improving cross-border payments, as outlined in the [G20 Roadmap for Enhancing Cross-Border Payments](#), which was first set out in 2020, with most targets required to be achieved by 2027. This report has chosen to focus on these two priorities because direct access and price transparency are essential to unlocking the other two priorities—cost and speed. Without achieving the former, realising the latter will not be possible.

The primary objectives of this analysis are:

- **Assess price transparency progress:** Verify the performance statistics published in the [2024 Progress Report](#) by evaluating the extent to which G20 countries have implemented and effectively enforced price transparency in payment services, focusing on the disclosure of total fees and foreign exchange (FX) margins to consumers.
- **Evaluate non-bank access to payment schemes:** Examine the degree of direct access granted to non-bank payment service providers (NBPSPs) to domestic Real-Time Gross Settlement (RTGS) systems and other payment schemes.
- **Rank G20 progress:** Rank G20 members according to their delivery of the G20 Roadmap for Enhancing Cross-Border Payments, based on a scorecard system.

Our analysis leverages a robust framework that combines qualitative and quantitative data from a variety of sources including market research, regulatory reports, and the latest updates from relevant financial bodies. The criteria for evaluation are based on the G20 Roadmap's benchmarks for price transparency and direct access:

- **Price transparency criteria:** Measures such as fee disclosure, FX margin transparency, and the enforcement of transparency regulations.
- **Direct access criteria:** Factors like eligibility criteria for non-bank access, regulatory support, and the operational integration of non-bank entities into payment systems.

This is broken down into more detail below.

The findings from this analysis aim to contribute to the ongoing global efforts to improve the efficiency, transparency, and inclusivity of cross-border payments and the payment systems that facilitate them, by driving cost down and speed up. By identifying the current state of play amongst G20 members, we hope to encourage best practice and foster collaboration among policymakers, financial institutions, and regulatory bodies towards achieving the aims set out in the Roadmap for Enhancing Cross-Border Payments.

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1. CONTEXT

The **G20 Roadmap for Enhancing Cross-Border Payments** was created to address inefficiencies and challenges in the global cross-border payments landscape.

These challenges include high costs, low speed, limited access, and insufficient transparency for wholesale and retail payments, as well as remittances.

Improving cross-border payments is critical because it can support international trade, financial inclusion, economic growth and development.

The [G20 Roadmap for Enhancing Cross-Border Payments \(2020 - 2027\)](#) has five main priority focus areas, divided into 19 building blocks. Of these, this document will focus on building blocks 2 and 10:

Building Block 2.

Implementing international guidance and principles (including transparency of information provided to end users about payment transactions)

Building Block 10.

Improving direct access to payment systems by banks, non-banks and payment infrastructures

The four pillars of the Roadmap are access, transparency, cost, and speed. This report focuses on access and transparency, as progress in these areas is essential for reducing costs and increasing speed. Despite four years having passed since the launch of the Roadmap, there remains a significant imbalance in the information available to retail consumers, which impedes their ability to make informed decisions. This, in turn, affects the competitive dynamics necessary for market change. Consequently, there are still considerable additional costs that exceed what can be reasonably attributed to the value of the service, adversely affecting some of the world's poorest consumers.

Our critique of the Roadmap lies in Building Block 2, which encompasses all elements of transparency in cross-border payments, not solely cost, making it challenging to measure meaningfully. Therefore, this report will concentrate specifically on price transparency.

This report aims to identify the position of each G20 member—both individually and in relation to one another—regarding their commitments to enhancing price transparency in cross-border payments for end users and improving direct access to payment systems for non-bank institutions. We will assess progress using a scorecard developed for each pillar, as outlined below.

G20 MEMBERS



Argentina



Germany



Australia



India



Brazil



Indonesia



Canada



Italy



China



Japan



European Union



Mexico



France



Republic of Korea



Saudi Arabia



South Africa



Türkiye



United Kingdom



USA



African Union



Russia

Please note, for the purposes of this analysis, we will not be including the African Union and its 55 member states, as it does not have a fully coordinated and comprehensive financial services policy framework akin to the European Union.

Additionally, Russia is excluded from this analysis due to its current limited participation in the global financial system. Several major Russian banks have been removed from the SWIFT financial messaging network as a part of international sanctions, significantly restricting their ability to engage in cross-border financial transactions.

2. CRITERIA FRAMEWORK

Direct Access

The Committee on Payments and Market Infrastructures (CPMI) Monitoring Survey provides a detailed analysis of RTGS (Real-Time Gross Settlement) payment system, Faster Payment System (FPS) and Deferred Net Settlement (DNS) system access across different organisation types and compares domestic and foreign entities. The CPMI has categorised various organisation types, which we have grouped together for simplicity in this analysis.

CPMI organisation categorisation	Alternative categorisation
Commercial banks with a local presence	Banks
Commercial banks without a local presence	
Banks other than commercial (e.g. investment banks, payment banks)	Non-bank PSPs (NBPSPs)
Supervised non-bank financial institutions	
Non-bank e-money issuers (including mobile money providers)	
Money transfer operators	Other
Post office (if not licenced as a bank)	
Central bank(s)	
DNS system operator(s)	
Faster payments system operator(s)	
RTGS system operators	
National Treasury	
Payment cards network operator(s)	

The 'other' category - public institutions and publicly mandated institutions or organisations, as well as card operators - are not a concern for the purposes of this analysis. It will focus on NBPSP access to domestic RTGS, DNS and FPS. The nuances within the NBPSP category, based on licensing regime, terminology and local requirements, will be explored in the analysis below.

Further, the CPMI Monitoring Survey categorises levels of access to a domestic RTGS, DNS and FPS, which again we have grouped together for simplicity in this analysis.

CPMI organisation categorisation

Alternative categorisation

Direct access to a settlement account and central bank credit

Direct access

Direct access to a settlement account but not to credit

Can send transactions directly to the system, without having a settlement account

Indirect access

Can send transactions indirectly to the system via a direct participant, without having a settlement account

No access allowed

No access

We have defined full direct access as a firm having direct access to the payment system and in control of its own settlement account at the central bank. Any other type of access that still requires working with a sponsor has been defined as indirect access.

Scorecard

Based on the above, we have created the following 'scorecard' system, against which we will evaluate members of the G20 on their progress towards Building Block 10:

"Improving direct access to payment systems by banks, non-banks and payment infrastructures".

1/5

Only licenced banks are permitted to have direct access to payment rails.

2/5

Licenced banks and some other institutions are permitted to have direct access to payment systems, but this is not extended to NBPSPs.

3/5

Licenced banks and some other institutions are permitted to have direct access to payment systems, and authorities are currently considering widening access to NBPSPs.

4/5

Authorities are actively exploring widening direct access to domestic payment systems to include NBPSPs.

5/5

Banks and NBPSPs are permitted to have direct access to payment systems and it has been adopted by at least 1 NBPSP.

Price Transparency

Transparency in cross-border payments is defined by the Financial Stability Board (FSB) as PSPs being required to provide a minimum list of information to end-users. The FSB outlines this as "including total transaction costs with relevant charges broken out - sending and receiving fees, FX rate and currency conversion charges; the expected time to deliver funds; tracking of payment status; and terms of service." As outlined above, this analysis will focus specifically on price transparency, i.e. FX rates and currency conversion charges (including FX margins).

Building on this framework, this analysis takes a more technical approach to how this is both achieved and enforced in domestic and regulatory environments, based on market research. This is because the [FSB's latest consolidated progress report for 2024](#) claims that "the percentage of services for which a breakdown of total fees and FX margin was provided by remittance service providers increased from 98% to 99% since 2023", with the caveat that "to be included in the dataset, a payment service must be transparent about its cost." We believe this dataset does not accurately reflect the true state of the market, and that the 99% claim significantly misrepresents what is the most common practice in industry, namely the padding of FX rates and the failure to disclose that up front, or at all.

The FSB's consolidated progress report does not consider whether FX fees are obscured in the payment process, or if domestic price transparency regulations exist but are ineffectively enforced across the G20. We suggest that the FSB should reevaluate the KPI methodology and data gathering process and in the interim, qualify the 99% claim with a cautionary note. Additionally, the FSB's Legal, Regulatory, and Supervisory (LRS) Taskforce should allocate sufficient resources to support an urgent review of price transparency as a priority.

We have conducted user market research across all G20 nations covered in this report. Our methodology involved analysing the payment flow of making an international transfer with both banks and non-bank

PSPs, and checking the exchange rate provided by the financial institution against the interbank mid-market exchange rate, provided by Google. We also checked through the payment flow for any tooltips or linked pages to see if any further information of FX margin padding was disclosed to the customer, up until the final execution of payment.

The country profiles in this report also feature examples of providers in each market, along with an assessment of their transparency regarding the pricing of international transfers. This evaluation employs a traffic light system based on the following definitions:

RED

A financial institution conceals foreign exchange markups from the customer. These charges are not disclosed in the payment flow but are instead found outside of the customer experience, e.g. within the terms and conditions.

AMBER

A financial institution obscures foreign exchange markups and/or other fees in the payment flow by promoting deceptive practices (e.g. "0% fee", "best rate"), and using tooltips or linked web pages that customers must click on to access this information and get an accurate idea of how much a transfer costs.

GREEN

A financial institution communicates the cost of an international money transfer upfront, clearly displaying all fees, including any foreign exchange fees or mark-ups, to the consumer in a clear and comprehensible manner.

Scorecard

We have created the following 'scorecard' system, against which we will evaluate members of the G20 on their progress towards Building Block 2:

"Implementing international guidance and principles (including transparency of information provided to end users about payment transactions)".

1/5

There are no requirements on all financial service providers to disclose all fees associated with a cross-border transfer, including FX markups.

2/5

There is existing regulation for price transparency in disclosing all fees associated with cross-border transfers, but does not specify FX markups as a fee or cost to the end user.

3/5

Existing regulation requires price transparency in cross-border payments, including FX markups, but this is not well enforced or the regulation is not strong enough to deliver price transparency for end users.

4/5

Authorities are actively exploring new action/rules on price transparency to strengthen end user understanding and force all financial service providers to disclose all cross-border payment fees, including FX markups.

5/5

All financial service providers are required to disclose the total cost up front to end users, including FX markups, when making a cross-border transfer.

3. EXECUTIVE SUMMARY

Direct Access

Progress towards granting non-bank payment service providers (NBPSPs) direct access to domestic payment systems shows a wide range of development across the G20, and we applaud the work of the Committee on Payments and Market Infrastructures (CPMI) for its focus on this issue, and its engagement of industry in the Payments, Interoperability and Extension (PIE) Taskforce. While some nations have made substantial advances through legislative reforms and updated regulatory frameworks, others lag behind due to regulatory hurdles or less meaningful policy shifts. Countries like Brazil, Canada, China, Indonesia, Mexico, the Republic of Korea, Türkiye, and the United Kingdom are leading the way, offering clear models of inclusive financial ecosystems. These nations have embraced significant innovation, such as Brazil's Pix system, which allows a broad range of financial entities to participate directly in its payment infrastructure. The UK's pioneering move to provide non-bank PSPs with direct access to its Real-Time Gross Settlement (RTGS) system exemplifies a forward-thinking approach that enhances competition and innovation, whilst reducing systemic concentration risk and promoting financial stability.

Conversely, countries like India and the United States have shown less progress. India's Unified Payment Interface (UPI), while highly innovative, currently still excludes NBPSPs from direct access. The United States Federal Reserve's Three Tier Master Account Access Guidelines, announced in 2022, did not open up access to NBPSPs, and largely preserved the monopoly of existing bank providers. The US is now the only G7 economy not to be advancing direct access for NBPSPs. Similarly, countries such as South Africa and Saudi Arabia are yet to see the substantive reforms necessary to facilitate direct access for non-bank entities, indicating a need for more dynamic policy interventions.

This analysis has found four key indicators and trends that have close alignment with progress towards direct access to payment systems for NBPSPs:

1. Regulatory evolution: An overarching trend among G20 nations is the evolution of regulatory frameworks that better accommodate NBPSPs. Countries at the forefront have reformed their legislations, recognising the crucial role of non-

bank entities in enhancing financial inclusion and fostering competition within the payment services sector. This regulatory evolution is evident in Brazil's comprehensive approach with Pix, and Japan's ongoing efforts to include fund transfer service providers in its Zengin System.

2. Technological innovation: Innovation is another significant theme driving progress in direct access. Nations boasting advanced payment infrastructures have leveraged technology to incorporate NBPSPs effectively. For instance, the UK's Faster Payment System and the New Payments Platform (NPP) in Australia highlight the pivotal role of technology in enabling seamless integration for non-bank entities. These technological advancements not only facilitate direct access but also ensure the efficiency and security of transactions.

3. Varying models of participation: Diverse models of non-bank participation further illustrate the varied approaches taken by different countries. While Brazil's inclusive model permits a wide array of financial service providers to connect to its systems, Japan's introduction of an API gateway for the Zengin System shows a tailored method to manage direct access. These differing participation models reflect the unique regulatory and market environments within each country, underscoring the importance of customising direct access frameworks to local contexts.

4. Central bank progressiveness: The role of central banks is integral to this progress, as these institutions are often the gatekeepers of payment system access. Central banks that actively support or initiate reforms, like those in the UK and Brazil, play a critical role in advancing direct access for NBPSPs. They help balance the need for innovation with stringent risk management protocols, ensuring that the financial ecosystem remains stable and secure. This approach must continue to be promoted and encouraged across the G20.

While we have seen positive development in a global movement towards more inclusive and competitive payment systems, more can be done to broaden access to payment schemes quicker. Outlined below are policy recommendations to support this.

Ranking of G20 Nations - Direct Access

Brazil	5/5
China	5/5
Indonesia	5/5
Mexico	5/5
Republic of Korea	5/5
Türkiye	5/5
United Kingdom	5/5
Australia	4/5
Canada	4/5
France	4/5
Germany	4/5
Italy	4/5
Japan*	4/5
European Union**	4/5
India	3/5
South Africa	3/5
Argentina	2/5
United States of America	2/5
Saudi Arabia	1/5

*Japan has confirmed that it will integrate its first NBPSP into the Zengin payment system next year, expected in November 2025 - this rating will then be upgraded to 5/5.

**The EU has formally expanded direct access to non-banks through legislation passed in April 2024, but NBPSPs will not be able to begin integration with payment systems until April 2025. After NBPSPs begin to be onboarded to European payment systems, we anticipate the score to be upgraded to 5/5.

Price Transparency

The progress towards achieving cost transparency in cross-border payments among the G20 nations remains slow, reflecting a critical area that demands urgent attention and concerted effort. Compared to strides made in providing direct access for non-bank payment service providers (NBPSs) to domestic payment systems, the advancements in transparency have been disappointing and uneven. This lack of progress is not reflected in the FSB Progress Reports as the transparency metrics set out in the G20 Roadmap include both transparency on speed information as well as price information. While some progress has been made by financial institutions in disclosing information on speed, including more detailed delivery estimates, this is not the case for price transparency. The lack of a specific metric on price transparency is detrimental to progress towards lowering the cost of cross-border payments.

Several G20 countries, including France, Germany, Italy and the United States, have made initial progress by implementing regulatory measures that mandate the disclosure of fees associated with cross-border transactions, including foreign exchange (FX) markups. Regulatory frameworks such as the EU's emerging Payment Services Regulations (PSR), currently going through the legislative process, is a potential new benchmark in regulation. On the supervisory side, in March 2024, the USA's Consumer Financial Protection Bureau (CFPB) [announced a clampdown on 'junk fees'](#), which we welcome. However despite these efforts, enforcement remains weak, allowing many providers to continue disguising fees in complex and opaque manners that undermine true consumer understanding. The UK's Consumer Duty regulation offers a similar basis for this, under its 'price and value' and 'consumer understanding' pillars, but so far there has been no progress towards enforcement on price transparency through this mechanism.

In countries like Brazil, South Africa, Argentina, and Australia, the situation presents a mixed picture. While these countries have introduced some regulatory measures aimed at transparency, the lack of stringent

enforcement means that many payment providers still embed hidden fees within exchange rates, leading to widespread consumer misinformation and financial invisibility.

Nations such as India, Japan, China, and Saudi Arabia have not progressed transparency. These countries lack specific, legally mandated requirements for the transparent disclosure of all fees in cross-border payments. This regulatory absence of oversight results in a market environment where consumers are frequently and legally left in the dark about the true costs of their transactions.

The general trend across the G20 indicates that much less effort has been made towards progressing price transparency compared to direct access for NBPSs and other topics in the Roadmap. While there are commendable examples of countries advancing legislative reforms to promote direct access, transparency regulations have not experienced the same level of urgency or diligence. This disparity underscores a critical gap in achieving a fully inclusive, fair, and efficient global payment landscape.

Stringent regulations, robust enforcement mechanisms, comprehensive consumer protection measures, and greater international collaboration are urgently needed to address the current inadequacies in transparency across G20 members. Only through such concerted efforts can we hope to achieve the full scope of financial inclusivity and consumer protection envisioned in the G20 Roadmap for Enhancing Cross-Border Payments.

This report recommends that the FSB undertake a fundamental review of the KPI methodology and data gathering process. In the interim, a cautionary note should be added to the latest 99% claim of price transparency in its annual progress reports. Additionally, we urge the FSB, through its Legal, Regulatory, and Supervisory (LRS) Taskforce, to allocate sufficient resources within the FSB Secretariat to prioritise an urgent review of price transparency as an independent focus area.

Ranking of G20 Nations - Price Transparency

France	4/5
Germany	4/5
Italy	4/5
United States of America	4/5
European Union*	4/5
Brazil	3/5
United Kingdom	3/5
Argentina	2/5
Australia	2/5
Canada	2/5
Indonesia	2/5
Mexico	2/5
Republic of Korea	2/5
Saudi Arabia	2/5
Türkiye	2/5
China	1/5
India	1/5
Japan	1/5
South Africa	1/5

*The EU is in the process of finalising new legislation that will require full disclosure of FX margins as a hidden fee. Once this legislation is finalised and implemented, we anticipate the score will be upgraded to 5/5.

4. POLICY RECOMMENDATIONS

Direct Access

To ensure that all G20 nations achieve direct access for NBPSPs, a multifaceted and comprehensive approach is required. This involves a combination of regulatory reforms, infrastructure investments, risk management protocols, and increased collaboration among stakeholders.

Harmonised framework

One of the fundamental steps towards achieving direct access for NBPSPs is the development of a harmonised international framework. Establishing consistent norms and standards that all G20 nations can adopt will create a cohesive global approach to granting NBPSP access. This can be facilitated through major international financial organisations like the Financial Stability Board (FSB), which can help compile and disseminate best practices from countries that have successfully integrated NBPSPs. Additionally, using these international fora to ensure regular reviews and updates to the framework will ensure it is kept aligned with evolving market conditions and technological advancements.

G20 member states should also consider mutual recognition of approved assessments for direct access. Closer regulatory alignment will allow NBPSPs to fast-track applications into new markets smoothly and efficiently. This means that once a NBPSP has been assessed and approved in one G20 country, that approval should be reciprocally recognised by other G20 nations through bilateral or multilateral agreements. Such an approach would significantly reduce the bureaucratic hurdles and time frame associated with entering new markets, fostering greater dynamism and competition within the global payment landscape. Leveraging mutual recognition agreements would also incentivise countries to streamline their regulatory processes to meet international standards, thereby creating an environment where best practices are widely shared and adopted. Ultimately, this concerted effort would not only facilitate smoother market entry for NBPSPs but also enhance the overall efficiency and inclusivity of the global financial system, enabling consumers and businesses to benefit.

Supportive legal reforms

Encouraging G20 members to amend their existing regulations and laws is crucial to lowering the barriers for NBPSP participation. This starts with conducting comprehensive audits of current financial laws to pinpoint and remove obstacles to NBPSP access. While the CPMI's suggested self-assessments are a helpful start to investigate the level of reform required in order to facilitate access to payment systems, stronger collaboration could encourage sharing best practices and speed up reform. Developing model legislative frameworks that can be tailored to local contexts will ensure these laws are clear, inclusive, and supportive of non-bank entities. Engaging with stakeholders including NBPSPs, traditional financial institutions, consumer groups, and industry experts is also essential to gather broad-based support and ensure that legal reforms are well-informed and effective.

Those who have already enabled NBPSP direct access to payment schemes should consider the next evolution of non-bank access to central bank infrastructure. This includes discussions on opening up reserves account access and the ability to safeguard directly at the central bank, removing reliance on the traditional banking sector and allowing NBPSPs to more effectively compete in the payments industry.

Infrastructure development

Investing in modern, robust, and scalable payment infrastructures is another key recommendation. Developing payment systems that are capable of supporting a wide range of participants, including non-bank entities, will require significant modernisation efforts. This includes upgrading technology platforms and implementing advanced security measures. Moreover, ensuring that new payment infrastructures are interoperable with existing systems both domestically and internationally will facilitate seamless transactions across borders, and help futureproof infrastructure. This also includes ensuring the payment system can read and transmit payment messaging for international payments, to further facilitate frictionless cross-border payments. Technical assistance and capacity-building support should also be provided to G20 countries with emerging economies to help them establish or enhance their payment infrastructures.

Risk management standards

Balancing innovation with financial stability and security necessitates the establishment of standardised risk management and compliance protocols for NBPSP access. Comprehensive regulatory guidelines should be developed to outline the risk management requirements for NBPSPs, including criteria for operational adequacy, liquidity requirements, and contingency planning. In addition, robust monitoring mechanisms should be put in place to ensure compliance, involving regular audits and real-time monitoring systems. It is also important to create effective crisis response mechanisms to manage potential failures of NBPSPs without destabilising the broader financial system, including clear procedures for winding up failing entities and protecting consumer funds.

Q Price Transparency

To achieve the necessary levels of transparency in cross-border payments, G20 nations must focus on enhancing consumer protection measures, improving regulatory frameworks and strengthening enforcement measures. These policy recommendations focus on these critical areas.

Enhancing consumer protection measures

A primary focus should be on ensuring that consumers have access to clear and upfront disclosures of all costs associated with cross-border payments. This involves implementing standardised disclosure formats across all payment service providers, banks and non-banks alike, in a given jurisdiction, which will guarantee consistency and ease of understanding for consumers. These standardised disclosures should clearly present all fees, including FX markups, allowing consumers to understand the true cost of their transactions at a glance.

Educational campaigns are also an important tool to raise awareness. Governments should launch initiatives aimed at raising consumer awareness around identifying and comparing fees and FX markups, and financial institutions could be incentivised to do similar. These campaigns should look to offer online tools and resources to help consumers understand the full cost structure of cross-border payments, thereby empowering them to make informed financial decisions. Governments and regulators should also consider developing clear rules around price comparison websites, which can often make misleading advertising claims due to sponsored ranking by foreign exchange providers.

Additionally, introducing transparency certifications or labels for payment service providers that consistently adhere to best practices in fee disclosure can motivate competitive improvement within the industry. Such certifications would signal to consumers that a provider upholds high transparency standards, fostering trust and encouraging more transparent business practices across the board.

Enhancing regulatory frameworks

G20 nations need to develop and implement comprehensive regulatory frameworks that mandate the disclosure of all fees associated with cross-border payments. These frameworks should explicitly define what constitutes a fee, including detailing FX markups, and require these costs to be clearly displayed either separately from other fees or as part of the total cost.

Engaging in extensive public consultations with stakeholders – including payment service providers, consumer advocacy groups and financial experts – is crucial to ensure that new regulations in given jurisdictions are both practical and effective. These consultations can help identify potential gaps and challenges in the proposed frameworks, ensuring a more robust and transparent regulatory environment.

Strengthening enforcement mechanisms

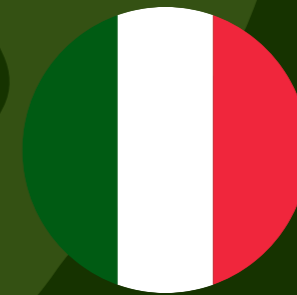
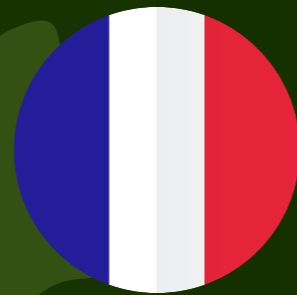
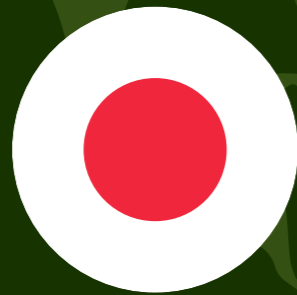
Implementing regulations alone is not enough to achieve transparency for everyday consumers – robust enforcement mechanisms are essential to ensure compliance. Regulatory bodies need to be empowered with clear mandates and sufficient resources to monitor adherence to transparency requirements. This includes conducting regular audits of payment service providers and imposing penalties for non-compliance.

Mandatory reporting requirements for PSPs should be established, compelling them to periodically disclose their fee structures and FX markup practices. This will facilitate independent verification from regulators and provide oversight into the functioning of the market.

Moreover, an effective consumer complaints mechanism must be put in place. Such a mechanism would allow consumers to report non-compliant practices easily, triggering swift regulatory action. By addressing consumer complaints promptly, regulatory bodies can more effectively enforce strong transparency rules and protect consumers from hidden fees and misleading practices.

By focusing on these three key areas, G20 members can create a more transparent and equitable environment for cross-border payments. This will not only protect consumers but also drive innovation and efficiency in the global financial system, boosting competition and ultimately drive down the cost for customers and allowing them to make more informed choices – which fully align with the broader goals set out in the G20 Roadmap for Enhancing Cross-Border Payments.

5. COUNTRY PROFILES





ARGENTINA



Direct Access



Existing framework & access

In Argentina, non-bank financial institutions (NBFIs) - including NBPSPs - face restricted access to national payment infrastructures. The Central Bank of Argentina (Banco Central de la República Argentina - BCRA) operates the primary national payment systems, including the Electronic Payment System (SPE) and the Immediate Debit System (DEBIN). These infrastructures serve as the backbone for carrying out electronic financial transactions within the country.

Non-bank financial institutions can participate in DEBIN, which allows them to offer direct debit services to their customers. According to the [BCRA's Ordered Text on the National Payments System](#), specifically under the Electronic Clearing Houses section, entities eligible for participation include (i) the Central Bank itself and (ii) financial institutions, as well as any other legal entities authorised by the Central Bank (point 6.1). Participation may be direct or indirect, with the latter occurring through the sponsorship of a direct participant (point 6.4). [The BCRA's Complementary Rules](#) also specify that only financial institutions can originate payment messages and receive transfers, whereas both financial institutions and NBPSPs are permitted to approve payment orders and credit incoming payments for customers. This means that NBPSPs can receive and review payment instructions from their end users (e.g. confirm if there are sufficient funds, run fraud checks, etc), but they must rely on a financial institution to originate and receive transfers through the scheme. In this sense, NBPSPs can only operate as indirect participants through the sponsorship of a direct participant which must be a financial institution.

Given that direct participation for originating and receiving transfers is reserved for financial institutions it's important to look at how the Argentinian regulation defines this concept. For this, we need to look at the [Financial Institutions Law \(Law 21.526\)](#), which defines them as 'those private or public entities that perform usual intermediary functions between the supply and the demand of financial resources'. This definition includes banks and other types of entities such as Compañías

Financieras and Sociedades de Ahorro but excludes NBPSPs, which, as per the local regulation, aren't allowed to perform financial intermediation activities. Therefore, while other types of entities that don't fall within the financial institutions category established in the regulation have some level of access to the national payment infrastructures, it is generally more limited compared to traditional banks.

Ongoing policy developments

The regulatory environment continues to evolve, with the Central Bank of Argentina seeking to enhance financial inclusion and the integration of various financial service providers. The BCRA has been working on [regulations](#) to enable NBFIs, including NBPSPs, to access national payment systems under certain conditions. These providers must meet specific regulatory requirements to ensure security and reliability. The BCRA has also been [promoting interoperability](#) between bank and non-bank payment service providers to create a more inclusive financial ecosystem.

Scorecard

2/5

Licensed banks and some other institutions are permitted to have direct access to payment systems, but this is not extended to NBPSPs.

Price Transparency



Existing framework & regulations

Argentina has established specific requirements for transparency and fee disclosures in the context of remittances and international payments. These measures are intended to ensure that consumers are well-informed about the costs associated with such transactions. A crucial regulatory framework in this area is the [Transferencias 3.0](#) real-time payment scheme, instituted by the Central Bank of Argentina.

Under the Transferencias 3.0 regulations, it is mandated that all fees must be disclosed upfront to consumers. Importantly, these fees cannot be calculated as a percentage of the transferred amount; instead, they must be a fixed fee per transaction. Additionally, transfers meeting specific criteria—such as those involving microenterprises or certain types of accounts—may be exempt from fees under these regulations.

The Transferencias 3.0 system thus seeks to ensure transparency by requiring clear disclosure of transaction costs, enabling senders and recipients to understand the exact financial implications of their transfers. Despite the regulatory efforts to enhance transparency, it is noteworthy that while the BCRA regulates the official exchange rate, there is no explicit prohibition against service providers applying marked-up exchange rates. Consequently, although the fees must be disclosed, the exchange rates applied by these providers may include hidden costs. This practice can result in consumers receiving less money than anticipated, as the hidden fees, embedded within the exchange rate, reduce the overall amount.

Customer experience

The experience for consumers originating international transfers in Argentina includes a series of screens indicating the required information to complete international transfers as mandated by the regulation issued by the Central Bank of Argentina. This includes information on the recipient and transfer reason: for each transfer reason, the regulation establishes certain documents that must be provided in order for the customer to be able to complete the transaction.

Customers are shown fees associated with making an international transfer, but there is no transparency on markups on the exchange rate, with FX fees not explicitly shown to the user during the transfer process. Most consumers instead focus on the transfer fee cost surfaced during the payment journey, and aren't aware of any implicit FX cost in the exchange rate.

Significant challenges to transparency in FX pricing persist due to the disparity between the official rate from the Argentinian Central Bank and the parallel market rates, influenced by the current capital controls in Argentina. These controls also complicate the collection of user data on exchange rates through local banks, as documentation is needed to validate the [restricted reasons](#) Argentinians are allowed to send money abroad. Consequently, our user data table for Argentina reflects the mark-ups based on the parallel market rates offered by non-bank providers for outbound money movement where we have been able to validate the user flow.

Argentinian payment providers' cross-border payment hidden fees based on customer payment journey data collected August 2024

Provider	Exchange rate markup/hidden fee	Transparency rating
Prex	8.7%	
Western Union	0.82%	

This information has been benchmarked against Argentina's parallel exchange rate, as opposed to Google which has been used for all other G20 members in this report. The reason for this distinction is that Google uses the Central Bank's official rate for Argentina, which does not accurately reflect the standard customer experience.

This information has been collected from each of the featured providers, by following their money transfer flows. This is a one-off snapshot from the provider's payment journey at a specific point in time. These payment flows are subject to change. The exchange rate markups may fluctuate.

Ongoing policy developments

As of now, there is no indication that the BCRA intends to review or amend the existing transparency regulations to address the issue of concealed fees within exchange rates. The current framework remains in place, with continued emphasis on upfront fee disclosure but without specific measures to regulate the transparency of exchange rate markups.

The BCRA is currently focused on sustaining low inflation rates and loosening capital controls that have been in place for the last decade.

Scorecard

2/5

There is existing regulation for price transparency in disclosing all fees associated with cross-border transfers, but does not specify FX markups as a fee or cost to the end user.



AUSTRALIA



Direct Access



Existing framework & access

Australia has an instant payment scheme called the New Payments Platform (NPP) which was launched in February 2018. The NPP was built primarily by Australian Banks and is owned by participating institutions under Australian Payments Plus.

The NPP is a real time, always on payments platform which incorporates data rich payments processing into its operations. The NPP was originally built for domestic payments but in late 2023 and early 2024 the NPP began operations of its International Payments Business Service which was designed to facilitate international payments.

The NPP has [three levels of access](#) designed to accommodate different types of entities within the payments ecosystem:

- **NPP Participants:** These entities have the ability to process and clear payments directly. To achieve this level of access, they must hold an Exchange Settlement Account at the Reserve Bank of Australia and possess an Authorised Deposit-Taking Licence. Additionally, they must meet various technical requirements, have robust real-time fraud protection and detection measures, and maintain controls and policies for Know Your Customer (KYC), Anti-Money Laundering (AML), and Consumer Data Right (CDR). Providing a Payment Access Gateway is also a requirement for NPP Participants.
- **Connected Institutions:** These entities can connect directly to the NPP to initiate payments, though they do not process or clear payments themselves. Connected Institutions need to meet specific technical connectivity requirements, have real-time fraud protection and detection measures in place, and ensure compliance with KYC, AML, and CDR controls. Furthermore, they must be licensed to operate within Australia.

- **Identified Institutions:** These entities can offer NPP-enabled payments and products to their customers via a partnership with a fully connected NPP Participant that can manage the clearing and settlement of payments on their behalf. Identified Institutions must have a commercial agreement with an NPP Participant and use the Participant's Exchange Settlement Account to settle customer payments. They also need to have real-time fraud protection and detection measures, as well as KYC, AML, and CDR controls in place.

Although the NPP framework provides tiered access options, it does not allow non-bank entities to directly use its payment infrastructure. As a result, non-bank payment service providers must obtain at least a Limited Authorised Deposit-Taking Institution Licence to access the NPP's payment rails.

Ongoing policy developments

The Reserve Bank of Australia is commencing a study to determine the levels of pricing for the New Payments Platform, including the end user price and the levels of competition inherent in the schemes.

Scorecard

4/5

Authorities are actively exploring widening direct access to domestic payment systems to include NBPSPs.

Price Transparency



Existing framework & regulations

In Australia, the current regulations concerning transparency in foreign currency conversion services are governed by non-enforceable [“Best Practice Guidance”](#) issued by the Australian Competition and Consumer Commission (ACCC) in 2019, following an [inquiry](#) into these services.

The Guidance mandates that online International Money Transfer (IMT) providers must disclose fixed fees upfront and provide a calculator to assist customers in understanding the cost implications. However, it stops short of requiring the disclosure of fees embedded within the markup between the mid-market rate and the retail rate applied by banks. Furthermore, the Guidance permits banks to advertise their services as “fee free” or “\$0,” even when hidden fees are included within the exchange rate markup.

Customer experience

The experience for Australian consumers of foreign money transfer services currently has consumers seeing the total amount received by a beneficiary through an online calculator, provision of which is mandatory under the Australian Competition and Consumer Commission’s Best Practice Guidance. This total amount received will be absent any indication of the FX margin and may have the fee applied out of the money sent or be applied at the end of a transaction.

Banks and traditional money transfer providers still hide their FX fees inside the margin between the mid-market rate and their retail rate. Banks are not required to disclose that they make money from FX margins, however some do. Many banks advertise the international transfers as “\$0” or “fee free”. There is no requirement to tell a customer that they will be paying through an FX margin.

In October 2024, the ACCC [updated their Best Practice Guidance](#) which will require that fixed fees be subtracted from the total amount being sent by a customer. This will standardise the presentation of prices across the industry but will not illustrate any FX markup. The update may benefit those already inclined to compare options but will not display prices or assist consumers who are unlikely to engage in comparison shopping among providers.

Australian payment providers’ cross-border payment hidden fees based on customer payment journey data collected July 2024

Provider	Exchange rate markup/hidden fee	Transparency rating
ANZ	3.26%	●
Commonwealth Bank	4%	●
National Australia Bank	2.55%	●
Westpac	3.86%	●
Western Union	1.5%	●

This information has been collected from each of the featured providers, by following their money transfer flows. This is a one-off snapshot from the provider’s payment journey at a specific point in time. These payment flows are subject to change. The exchange rate markups may fluctuate.

Ongoing policy developments

In July 2024, the ACCC [issued a report](#) outlining their rationale for updating the [Best Practice Guidance](#) for IMT providers in Australia. The revised recommendations suggest that IMT providers should subtract the fixed fee component from the total amount being sent to the beneficiary to standardise comparison methods.

While this represents progress in improving transparency, it fails to address the fundamental issue of the lack of visibility regarding FX margins and the continued practice of advertising \$0 transfers by IMT providers. The new guidance still does not mandate the disclosure of the FX markup relative to the mid-market rate.

The ACCC’s report is [based on a study](#) conducted by the Australian Government Behavioural Economics Team (BETA). The study concluded that the optimal way to convey the costs associated with international money transfers is to first subtract the fixed fee from the amount being sent. Subsequently, it recommends illustrating the FX margin by showing both the mid-market rate and providing a description of the FX markup in either dollar or percentage terms.

[These recommendations](#) aim to enhance consumer understanding of the costs associated with international money transfers, but further action may be required to ensure comprehensive transparency in FX markups and to prevent deceptive advertising practices.

Scorecard

2/5

There is existing regulation for price transparency in disclosing all fees associated with cross-border transfers, but does not specify FX markups as a fee or cost to the end user.



BRAZIL



Direct Access



Existing framework & access

The Brazil Central Bank's launch of Pix in 2020, among other existing payment systems, put it ahead of many other jurisdictions in terms of real-time payments and expanded access to payments systems. Pix has allowed authorised payments institutions to connect directly since the payment system's launch, with more than 800 financial institutions now connected to the system.

Banco Central do Brasil (BCB)'s [Resolution BCB No. 1/2020](#) provides the operational procedures and the participation criteria for entities, including both banks and non-bank financial institutions, to connect to and operate within the Pix payment system. According to these guidelines, authorised payment institutions with over 500,000 active customers are required to participate in Pix, while other payment institutions that meet the necessary technical and operational requirements are also permitted to participate directly, which ensures inclusivity and innovation within the financial ecosystem. This includes payments institutions that are not authorised by the Central Bank. Authorised institutions are given the option to participate either directly or indirectly to Pix, while non-authorised institutions can become indirect participants. While both indirect and direct models require compliance with relevant regulations, this allows for institutions with differing levels of technical capacity to offer Pix services to their customers.

Ongoing policy developments

As it is a relatively new payment system, BCB is regularly issuing policy amendments to enhance clarity on different business models' adherence to Pix, as well as on the requirements and conditions for both direct and indirect participation.

Scorecard

5/5

Banks and NBSPs are permitted to have direct access to payment systems and it has been adopted by at least 1 NBSP.

Price Transparency



Existing framework & regulations

In 2022, Brazil implemented new laws ([Law 14,286/21](#) and [Resolution BCB 277/22](#)) aimed at regulating the foreign exchange market with its objectives of modernising, simplifying and bringing greater legal certainty to business in this market. While foreign exchange rules, including the concept of the 'Total Effective Value' of a cross-border transaction, have existed for decades, these new 2022 rules sought to simplify the rules, introduce further transparency and also bring Brazil in line with OECD standards.

The objective is to allow foreign exchange transactions to enhance transparency within the foreign exchange and remittance market in line with the best international standards, such as those established by the Organisation for Economic Co-operation and Development (OECD). In Brazil, providers can choose the exchange rate they provide their customer, as long as this does not constitute foreign exchange evasion, artificial formation or price manipulation. The VET (Total Effective Value) encompasses all charges applicable to a foreign exchange transaction, including the exchange rate, the financial operations tax, and additional fees. The Central Bank of Brazil also established a VET ranking page to facilitate cost comparability between different service providers: however, it should be noted that this page is not updated in real-time, which limits its effectiveness in acting as a comparison tool.

While these regulations have simplified and enabled some level of comparison in remittances, it has not fully achieved price transparency for consumers because while it includes all costs upfront, foreign exchange fees are still unclear to the consumer. This is because the regulations do not define a benchmark rate that providers should use to calculate Total Effective Value of the transaction. The regulations merely state that the exchange rate can be "freely agreed" upon with the

customer. This provision permits service providers to obscure fees within exchange rate mark-ups by using significantly inflated rates. Consequently, the prevalent market practice of embedding additional fees in high exchange rates persists, reducing the competitive pressure to lower costs for remittances.

Customer experience

Within the customer flow itself today, most providers continue to hide fees in exchange rate mark-ups. While providers comply with the regulations by showing the total 'VET' amount, including the exchange rate, tax (IOF) and other provider fees, it is difficult as a consumer to compare prices because providers can choose their preferred exchange rate to calculate the VET. Put simply, customers are not aware that providers mark-up their rates, and the hidden exchange rate margin is not shown clearly in the flow.

For Brazilian consumers, this lack of transparency in foreign exchange fees is a significant issue, especially in a market where customers are accustomed to high foreign exchange costs and often find the calculations confusing. Banks and providers frequently advertise "no" or "low" fees for currency exchanges but fail to clearly explain what these fees actually entail. For example, while some may claim that the IOF (Tax on Financial Operations) is waived, this is misleading, as the IOF is mandatory and must be collected. Additionally, claims of offering the "lowest fees" are often made without clarifying the full composition of the foreign exchange fee, which includes the exchange rate, any additional tariffs (whether charged by the bank or not), and taxes. As a result, it is commonly perceived that foreign exchange services are too expensive, with consumers left with an incomplete understanding of the true cost of their transactions.

Brazilian payment providers' cross-border payment hidden fees based on customer payment journey data collected December 2023 - January 2024

Provider	Exchange rate markup/hidden fee	Transparency rating
Banco Do Brasil	1.72%	●
Bradesco	4%	●
Ramessa Online	1%	●
Santander	1.37%	●
Western Union	0.79%	●

This information has been collected from each of the featured providers, by following their money transfer flows. This is a one-off snapshot from the provider's payment journey at a specific point in time. These payment flows are subject to change. The exchange rate markups may fluctuate.

Ongoing policy developments

The Brazilian Central Bank possesses the authority to provide clarity or issue new guidance related to VET rules. Currently, Brazil's Presidency of the G20 and its ongoing accession to the OECD have led to several reforms intended to meet international standards. Specifically, adherence to [Principle 7 of the OECD's High-Level Principles on Consumer Protection](#) could drive further actions towards fee transparency in Brazil. Principle 7 necessitates specific levels of disclosure, transparency, and consumer ability to compare products.

Holding the G20 Presidency presents Brazil with an opportunity to lead by example, particularly regarding the G20 Roadmap to Enhancing Cross-Border Payments, which includes ambitious targets for improving transparency in cross-border payments. As both a prospective OECD member and a current G20 leader, Brazil is in a strategic position to set high standards and drive international initiatives aimed at greater transparency and reduced costs in cross-border payment systems.

Brazil has been a clear pioneer introducing transparency in cross-border transactions and moving first in this space. More recently, the 2022 rules delivered more comparison-shopping and simplicity for Brazilians sending money abroad. To build upon these developments, the Brazilian Central Bank may consider clear guidance and/or regulatory adjustments to specify a benchmark rate which providers must use

to calculate the Total Effective Value 'VET'. This would give consumers total cost transparency, allowing them to truly comparison-shop and understand the total cost of their payment (including all fees and any exchange rate mark-up). This will aid in the reduction of hidden fees and foster a more competitive and transparent market for international money transfers.

Scorecard

3/5

Existing regulation requires price transparency in cross-border payments, including FX markups, but this is not well enforced or the regulation is not strong enough to deliver price transparency for end users.



CANADA



Direct Access



Existing framework & access

Canada has been undertaking a broad payments modernisation effort in recent years, with a goal to remain competitive on the global stage, foster economic growth, increase competition and lower prices for Canadian consumers, who have been experiencing an affordability and cost-of-living crisis since COVID-19.

Payments modernisation is being implemented through four key initiatives: introducing faster payments via a Real-Time Rail system; establishing a modern licencing framework and market conduct rules within the Retail Payment Activities Act; amending the Canadian Payments Act to expand access to the payments system; and introducing an open banking framework. Together, these payments modernisation initiatives will result in lower payment costs, increased innovation and competition, and enhanced financial stability.

[The Budget Implementation Act](#), including Amendments to the Canadian Payments Act, the key legislative change expanding direct access to the payments system to NBPSPs, received royal assent on June 21, 2024. Amendments to the Canadian Payments Act were first announced in the [2023 Fall Economic Statement](#). This legislative change is introduced in parallel to the establishment of a new retail payments regime (the [Retail Payments Activities Act](#), or 'RPAA') which requires payment services providers to register with the Bank of Canada and fulfil an array of operational risk, incident notification and safeguarding of end-user funds requirements, with requirements comparable to other payments licences around the world. Registered NBPSPs will then have the ability to apply to become members of Payments Canada, which operates the country's payment schemes, previously only limited to depository institutions. Finally, NBPSPs who meet the Bank of Canada's settlement account criteria will be able to apply to become a direct settlement member of the Canadian payments systems.

Ongoing policy developments

Once NBPSPs register with Bank of Canada (applications open autumn 2024, registrations will be announced September 2025) then payment service providers will be eligible to apply for direct access to Canada's new Real Time Rail (RTR) payment scheme, which is currently being built. Other Canadian payment rails will allow access to the payment scheme, but they will require NBPSPs to settle through a prudentially regulated bank partner.

Scorecard

4/5

Authorities are actively exploring widening direct access to domestic payment systems to include NBPSPs.

Price Transparency



Existing framework & regulations

In Canada, financial consumer protection is a complex landscape shared between federal, territorial, and provincial governments. Consequently, federally regulated banks are subject to distinct requirements compared to non-bank payment service providers (NBPSPs), who are currently unsupervised at the federal level. However, this is set to change as of September 2025, when all NBPSPs operating in Canada will be [required](#) to register with the Bank of Canada as payment service providers. They will be mandated to comply with operational risk management, incident notification, and the safeguarding of end-user funds requirements under the [Retail Payments Activities Act](#) (RPAA).

The Bank Act, enforced by the Financial Consumer Agency of Canada (FCAC), applies exclusively to federally-regulated banks and not to payment/remittance providers. General disclosure requirements under Part XII.2 of the [Bank Act](#) are currently insufficient to ensure full transparency in international money transfers. Though the Bank Act and the [Consumer Financial Protection Framework](#) enact certain consumer protection and disclosure mandates for banks protecting against false or misleading information, there are no specific provisions targeting remittances or cross-border payments. This regulatory gap allows the major banks in Canada to effectively obscure fees within international transfers.

Customer experience

For Canadian consumers, the practice of hiding fees in international transfers is prevalent. Providers often advertise “no” or “low” transaction fees while embedding hidden fees in exchange rate mark-ups. Additionally, fee information is frequently buried in fine print. While many providers disclose that they profit from the exchange rate, they often do not specify the extent of the mark-up, leaving consumers with an incomplete understanding of the true cost of their transactions.

Canadian payment providers' cross-border payment hidden fees based on customer payment journey data collected June - November 2024

Provider	Exchange rate markup/hidden fee	Transparency rating
Bank of Montreal (BMO)	3.77%	
CIBC	3.29%	

This information has been collected from each of the featured providers, by following their money transfer flows. This is a one-off snapshot from the provider's payment journey at a specific point in time. These payment flows are subject to change. The exchange rate markups may fluctuate.

Ongoing policy developments

The second phase of the Retail Payments Activities Act (RPAA) presents an opportunity to introduce market conduct rules for all NBPSPs, potentially including remittances within its scope and stipulating specific disclosure requirements. However, no official updates have yet been released on this.

For banks, while the Bank Act mandates general disclosure under Part XII.2, there are still no specific requirements related to international money transfers or remittances, particularly concerning price disclosure.

In line with efforts made by the United States, the Canadian government initiated a “junk fees” campaign as part of its [2023 Federal Budget](#), in response to the ongoing affordability and cost-of-living crisis. This initiative aims to eliminate non-transparent charges, ensuring businesses disclose prices clearly and making life more affordable for Canadians. In this context, eliminating junk fees, including those in financial services and particularly in cross-border transactions, could become a higher priority for Canadian policymakers in the short- to medium-term future.

Scorecard

2/5

There is existing regulation for price transparency in disclosing all fees associated with cross-border transfers, but does not specify FX markups as a fee or cost to the end user.*

*Current remittance disclosure requirements only apply to federally regulated banks, not NBPSPs.



CHINA



Direct Access



Existing framework & access

China's internet payment and clearing platform of non-bank payment institutions is called NetsUnion Clearing Corporation Network (NUCC). This platform was established by the Payment and Clearing Association of China and has been under the [supervision and regulation of the People's Bank of China](#) (PBC) since 2017. Prior to the establishment of NUCC, there was no centralised clearing system capable of tracking all payment flows within the payment industry. Recognising this gap, the PBC introduced a centralised clearing platform in 2017 to enhance transparency and obtain comprehensive payment information. In August 2017, the PBC issued the ["Notice on Non-bank Payment Organisation Network Payment Operations Shifting from the Direct Model to China NetsUnion Platform Handling."](#) This notice mandated that payment operations undertaken by third-party providers involving bank accounts must be processed through the NUCC's network post 30 June 2018, and required providers to connect to the platform by 15 October 2017. NUCC was officially [launched in 2018](#) as the designated platform for the online settlement of non-bank payments, remaining under the supervision and regulation of the PBC.

NUCC serves as the nationwide centralised platform for the processing of transactions conducted by third-party payment providers involving bank accounts. It links e-wallet providers with participating banks, allowing both local and foreign licensed NBPSPs and banks to offer faster and more efficient collection solutions. Additionally, all third-party payment companies are required to maintain direct safeguarding accounts with the PBC for the clearing and settlement of regulated payment activities within China.

Ongoing policy developments

The [Administrative Measures for Payment Services Provided by Non-financial Institutions](#), promulgated in 2010, defined the market access, supervision, and administration of payment institutions undertaking online payments, the issuance and acceptance of prepaid cards, and the acquisition of bank cards. In the publication ["Opinions of the General Office of the State Council on Further Optimising Payment Services to Facilitate Payments,"](#) there are initiatives aimed at promoting mobile payment convenience and acceptance for both mainland Chinese citizens and foreigners utilising various payment methods. These efforts are consistent with the broader strategy to enhance payment connectivity and convenience in recent years.

China's ongoing policy developments indicate a sustained commitment to promoting a transparent, efficient, and accessible payment ecosystem. The PBC has also emphasised the importance of robust regulatory oversight to ensure the security and reliability of payment systems. This includes continuous updates to regulatory frameworks and the introduction of initiatives aimed at integrating emerging technologies and enhancing the overall payment experience for users.

Scorecard

5/5

Banks and NBPSPs are permitted to have direct access to payment systems and it has been adopted by at least 1 NBPSP.

Price Transparency



Existing framework & regulations

In China, there are no specific legislated laws that govern the disclosure of fees or ensure transparency in foreign exchange transactions. When customers send remittances abroad or make payments for services or goods outside of China, the People's Bank of China (PBC) encourages payment service providers to use FX rates quoted by banks and to convert foreign currencies into Chinese Yuan (CNY) based on directives outlined in PBC [circulars](#).

To improve payment accessibility, the PBC has introduced a series of guidelines. Additionally, the China Payment & Clearing Association of China (PCAC), a self-regulatory body within the payment industry, has announced a reduction in processing fees for converting foreign currency to CNY via Visa and Mastercard. These fees will be lowered from the previous range of 2.5%-3% to 1.5%.

Despite these measures, it remains common practice for banks and other financial institutions to advertise their remittance products as "fee free" or "\$0" while incorporating hidden fees such as the bid and offer FX spread. This practice undermines true fee transparency and obscures the actual costs from consumers.

Customer experience

In Chinese banks, the practice of concealing fees in international transfers is common. Banks and payment providers often promote "free" or "low fees" for converting Chinese Yuan to foreign currencies, but they embed their foreign exchange fees within the margin between the mid-market rate and their own bank rates, which is not well understood. Additionally, banks frequently advertise "promotional rates" to attract first-time consumers; however, these rates are usually one-time offers, and customers are not fully informed that subsequent FX rates will be higher. There are no regulations requiring the disclosure of the total fees customers will incur, including both transaction fees and the FX margin.

Chinese payment providers' cross-border payment hidden fees based on customer payment journey data collected August 2024

Provider	Exchange rate markup/ hidden fee	Transparency rating
China Merchant Bank	0.3%	●
Bank of China	0.2%	●
Industrial and Commercial Bank of China	0.2%	●

This information has been collected from each of the featured providers, by following their money transfer flows. This is a one-off snapshot from the provider's payment journey at a specific point in time. These payment flows are subject to change. The exchange rate markups may fluctuate.

Ongoing policy developments

Currently, there is limited indication that the PBC or the Chinese government is prioritising transparency in cross-border payments. While steps have been taken to reduce processing fees, broader regulatory reforms or definitive guidelines focused explicitly on enhancing fee transparency have not been announced.

The recent measures by the PBC and the PCAC represent a move towards improved accessibility and potentially lower costs, but they do not comprehensively address the issue of hidden fees within the exchange rate spreads. Without explicit legislative actions or enforced regulations, banks and financial institutions will persist in obscuring fees within exchange rates.

For meaningful advancements, a more robust regulatory framework that mandates clear and comprehensive disclosure of all transaction costs, including FX markups, would be necessary. This could ensure greater transparency and foster a competitive environment that benefits consumers engaged in cross-border transactions.

Scorecard

1/5

There are no requirements on all financial service providers to disclose all fees associated with a cross-border transfer, including FX markups.



INDIA



Direct Access



Existing framework & access

India has made significant strides in the field of instant payments through the establishment of two primary schemes: [Immediate Payment Services \(IMPS\)](#) and [Unified Payment Interface \(UPI\)](#). Both schemes are operated by the National Payments Corporation of India (NPCI), an organisation that was set up by the Reserve Bank of India (RBI) and is owned by a consortium of Indian banks.

IMPS was launched in 2010 as a system for interbank transfers between bank accounts. Initially, it facilitated transfers strictly between bank accounts. Over time, additional channels have been introduced, such as transfers using a mobile number, ATM, and branch networks, to further ease account-to-account transfers. Access to IMPS remains exclusively restricted to banks, ensuring that only regulated banking entities can participate directly in this payment scheme.

UPI, introduced in 2016, builds upon the existing IMPS infrastructure and offers a versatile platform for both Person-to-Person (P2P) and Person-to-Merchant (P2M) transactions. UPI allows funds to be transferred through various modes, including mobile numbers, UPI IDs, QR codes, and direct bank account numbers. Payments can be initiated using both push (credit transfers) and pull (money requests) mechanisms, enhancing flexibility and usability.

The UPI ecosystem includes several types of participants in a typical payment cycle: the remitter (customer or merchant), the beneficiary (customer or merchant), Third-Party Application Providers (TPAP), Payment Service Providers (PSPs, which can include banks or certain Non-Bank Payment Service Providers or NBPSPs), and Issuers (remitter banks or Prepaid Payment Instruments, which are lightweight stored value accounts used for small domestic transactions).

Several advancements have spurred the widespread adoption of UPI, including the ability to facilitate small value offline transactions, the availability of certain credit cards for P2M transactions, and international

expansion efforts to increase UPI acceptance outside India. Although NBPSPs can access the UPI scheme, they must form partnerships with PSP banks. These NBPSPs [typically include lending companies, investment firms, and large e-commerce or travel companies](#). However, there is no existing provision for NBPSPs focused on remittance services—either for sending money abroad or processing inbound collections—to access the UPI scheme directly.

Ongoing policy developments

Recently, policymakers have introduced the “UPI World One” initiative, allowing foreign travellers to utilise UPI for payments made in Indian Rupees (INR) during their stay in India. This was [launched in July 2024](#). Although only two partners have been onboarded thus far, this development highlights potential opportunities for other cross-border NBPSPs to access the UPI scheme in the future.

The RBI has also announced a revision to the regulations with respect to Authorised Dealers. However, it is not clear whether that would allow NBPSPs to directly deal with FX without having to rely on banks.

Scorecard

3/5

Licensed banks and some other institutions are permitted to have direct access to payment systems, and authorities are currently considering widening access to NBPSPs.

Price Transparency



Existing framework & regulations

In India, consumers generally do not receive specific information from their banks about the foreign exchange (FX) fee included in the FX margin. They are usually informed about fixed fees, applicable taxes, and service fees related to their foreign payments, but the details about the FX margin are not provided.

The Banking Codes and Standards Board of India, an arm of the Indian Banking Associations, publishes a voluntary "Code of Bank's Commitment to Customers," which includes guidelines on foreign exchange services.

These guidelines cover various aspects, such as explanations of the services and how to use them, timelines for when the money sent abroad should arrive and the reasons for any delays, the exchange rate used for converting foreign currency (with the rate disclosed later if it cannot be determined at the time of the transaction), and the charges or commissions that customers need to pay. Additionally, it warns that the recipient might also have to pay additional charges to the correspondent bank.

Despite these guidelines, there is no obligation for banks to disclose FX margins or provide current retail FX rates, which would allow consumers to assess the competitiveness of their transactions. There is also no requirement for banks to disclose fixed fees at a certain point in the transaction or to inform consumers that banks can profit from the FX margin.

Customer experience

Customers using Indian banks for foreign transactions often find the process challenging. This difficulty arises because banks are not mandated to disclose current retail FX rates. As a result, customers often execute transactions without being aware of the FX rate their bank applies or how it compares to the prevailing mid-market rate. In nearly all instances, the FX rate is subject to a markup that ranges between 0.5% to 2%.

The absence of regulations ensuring transparency in fee disclosure enables financial institutions with lower FX markups to make claims such as "lowest rates" or "zero transfer fees." Consequently, the overall customer experience is inconsistent and suffers from a lack of clarity and transparency regarding the true cost of transactions.

Indian payment providers' cross-border payment hidden fees based on customer payment journey data collected August 2024

Provider	Exchange rate markup/hidden fee	Transparency rating
HDFC Bank (RemitNow)	1.56%	
Instarem (Nium)	1.2%	
BookMyForex	0.62%	

This information has been collected from each of the featured providers, by following their money transfer flows. This is a one-off snapshot from the provider's payment journey at a specific point in time. These payment flows are subject to change. The exchange rate markups may fluctuate.

Ongoing policy developments

The Indian Government and Reserve Bank of India are not highly motivated to look at resolving the issues of foreign exchange pricing. Instead, efforts are primarily directed towards improving the infrastructure and expanding access to digital payments to enhance the overall financial ecosystem.

Scorecard

1/5

There are no requirements on all financial service providers to disclose all fees associated with a cross-border transfer, including FX markups.



INDONESIA



Direct Access



Existing framework & access

Prior to 2021, Indonesia had several payment schemes catering to domestic payment needs. The dominant payment methods at that time were real-time payments managed by four privately-owned ACHs, which were initially set up to process domestic card transactions. Besides the switching options, Indonesia's Central Bank, Bank Indonesia, also offered a batch clearing option (SKN) and RTGS for large-value transfers.

On 21 December, 2021, Bank Indonesia announced a new real-time payment scheme called BI-FAST. Compared to the privately-run switching networks, BI-FAST aims to be a superior option for customers by providing real-time payment options with higher limits (up to IDR 250 million per transaction) and lower fees. Unlike the switching option, the central bank runs BI-FAST. This move has reduced transaction fees from IDR 6,500 under the switching system to a maximum of IDR 2,500 per transaction, with the base cost for banks that become members of BI-FAST as low as IDR 19. These reductions have been welcomed by consumers.

The regulation for BI-FAST is outlined under Bank Indonesia's [PADG 23/25/PADG/2021](#). This regulation allows for the future involvement of non-banks at the discretion of Bank Indonesia by indicating that BI-FAST members can include: 1) Bank Indonesia, 2) Banks, 3) Non-Banks, and 4) Others as decided by the organiser.

The regulation also provides for participants to join as either direct members or indirect members via a bank sponsor model. Becoming a direct member comes with more stringent requirements, including high capital requirements (IDR 6 trillion for banks and IDR 100 billion for non-banks) and qualitative requirements such as significant contributions to the economy and the digital finance industry, as well as supporting Bank Indonesia in monetary, macroprudential, and payment policies.

Given these stringent requirements, non-banks are most likely to qualify only as indirect participants. This model is similar to what is used in Singapore, where non-banks can send payment instructions directly to the BI-FAST system, but the money is settled to their account sponsored by a bank that is a direct member.

Overall, the regulation provides a basis for open participation from both banks and non-banks, opening up opportunities for domestic non-bank PSPs to participate directly in the payment scheme rather than processing transactions through third parties. For foreign NBPSPs seeking to enter and participate in the domestic payment scheme, the challenge lies not in

fulfilling the BI-FAST requirements but in meeting the licensing requirements to be licensed NBPSPs. These requirements include having domestic shareholders and local data processing, as outlined in Bank Indonesia regulation [23/6/PBI/2021](#).

Ongoing policy developments

Since its launch in 2021, BI-FAST has seen significant adoption, with more than 100 members joining the scheme across seven batches of onboarding. In the latest batch, we observed two e-money institutions joining the scheme, which signifies Bank Indonesia's commitment to its policy of allowing non-bank participants to onboard.

Bank Indonesia is a "Special Observer" of [Project Nexus](#), a regionally focused effort to link the fast payment systems of Singapore, Malaysia, the Philippines, Thailand and India. Project Nexus is designed to standardise the way domestic Instant Payment System (IPS) connect to one another. Rather than an IPS operator building custom connections for every new country to which it connects, the operator only needs to make one connection to Nexus. This single connection would allow the IPS to reach all other countries in the network.

Scorecard

5/5

Banks and NBPSPs are permitted to have direct access to payment systems and it has been adopted by at least 1 NBPSP.

Price Transparency



Existing framework & regulations

As the payment system regulator, Bank Indonesia provides guidelines for transparency through its policy document [PBI 3/2023 on Consumer Protection](#) and guidelines [PADG 23/17/2021 on Consumer Protection](#). These documents outline the minimum requirements for all payment service providers to disclose information about their services, including fees, benefits, risks, terms, and consequences. This information must be accurate, current, honest, clear, non-misleading, and ethical. Non-compliance with these requirements may result in administrative sanctions ranging from written warnings to business licence revocations. Unfortunately, there are no specific details or instructions regarding the spread on FX rates or the tracking of payment status. Given the general language of the requirements, this may lead to varying interpretations by different payment service providers.

The Otoritas Jasa Keuangan (OJK), as the regulator for the financial industry, provides similar guidelines in its [POJK 1 - 2013 on Consumer Protection](#), and further updated through [POJK 22 - 2023 on Customer Protection](#). These guidelines require all financial industry players to provide accurate, honest, clear, and non-misleading information about their products and services. OJK goes further by mandating that financial service providers inform customers about all fees associated with their products and services and prohibiting automatic charges for new services. However, like Bank Indonesia's guidelines, there are no specific instructions on handling FX or conversion rates, which may also lead to varying interpretations.

Customer experience

Indonesian banks have been advancing in the provision of digital cross-border remittance services. Over the past two years, the majority of large banks in Indonesia have commenced offering these services. Nevertheless, the user experience has shown variation among different providers and generally mirrors the traditional way of doing correspondent banking albeit in a digital format, i.e. the forms that customers need to fill in are still relatively lengthy. Customers are still compelled to answer numerous questions when setting up traditional cross-border transfers.

With respect to fees, these banks transparently disclose the costs associated with such transactions, including the applicable foreign exchange (FX) rate. Regrettably, they do not all reference the mid-market rate or provide details on the FX markup, thereby requiring customers to ascertain the markup imposed by the banks themselves.

Indonesian payment providers' cross-border payment hidden fees based on customer payment journey data collected July - November 2024

Provider	Exchange rate markup/hidden fee	Transparency rating
PaninBank	0.7%	●
OCBC	0.1%	●
Mandiri	0%	●

This information has been collected from each of the featured providers, by following their money transfer flows. This is a one-off snapshot from the provider's payment journey at a specific point in time. These payment flows are subject to change. The exchange rate markups may fluctuate.

Ongoing policy developments

Outside of the existing transparency framework under Bank Indonesia and OJK regulations, which is notably high-level and lacks a detailed definition of FX transparency, there is minimal information or literature on any additional policies the regulator might adopt to achieve FX transparency. In their recently released [Payment System Blueprint 2030](#), Bank Indonesia briefly mentions it will follow the G20 Roadmap on Enhancing Cross-Border Payments, which includes transparency initiatives. However, no further details were provided.

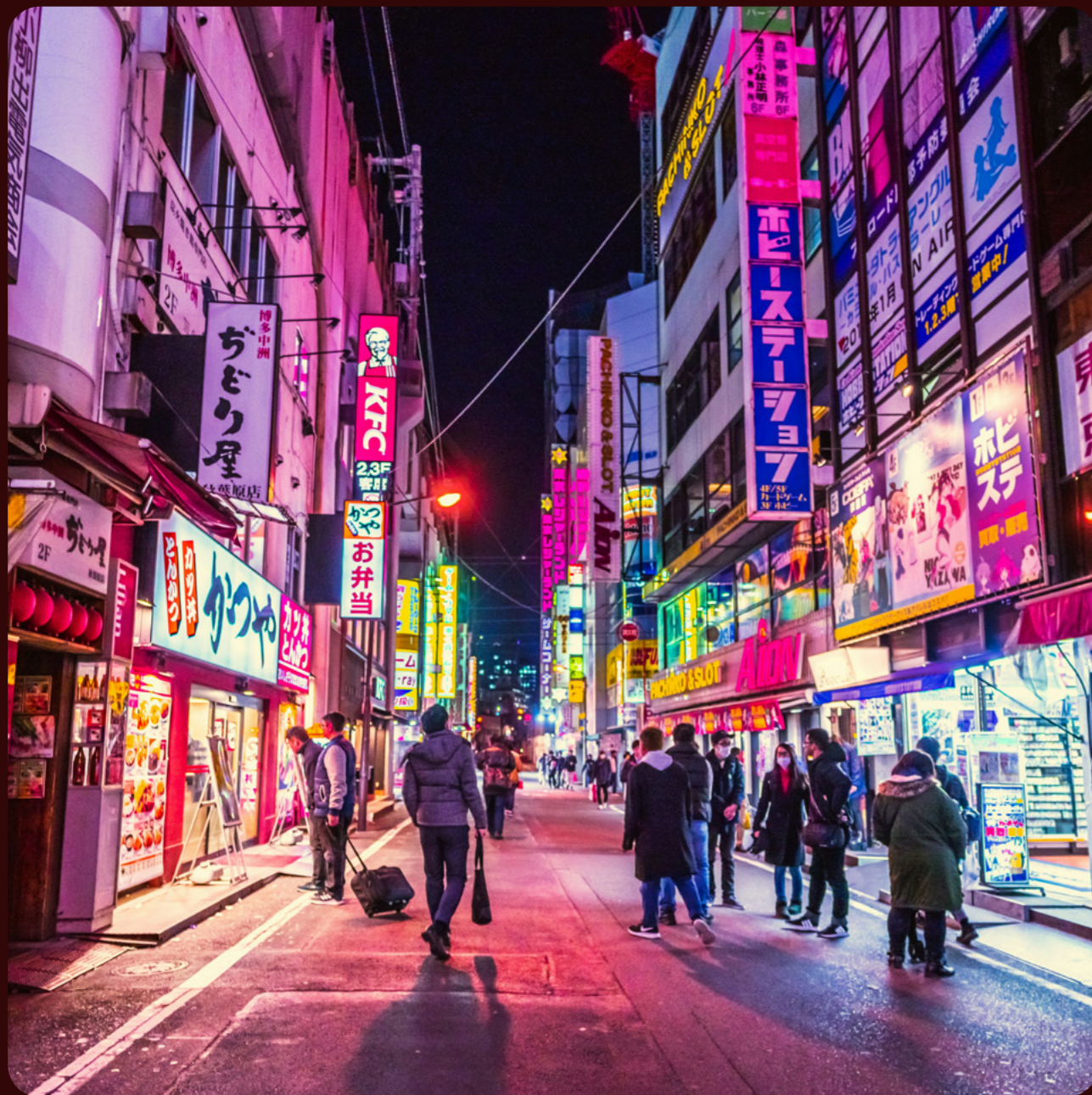
Scorecard

2/5

There is existing regulation for price transparency in disclosing all fees associated with cross-border transfers, but does not specify FX markups as a fee or cost to the end user.



JAPAN



Direct Access



Existing framework & access

The Zengin Data Telecommunication System (Zengin System), established in 1973, is operated by the Japanese Banks' Payment Clearing Network (Zengin-Net). This online network links financial institutions and processes transfer messages arising from remittances and other transactions. Additionally, the Zengin System manages the daily settlement of inter-bank credit/debit relationships.

The Zengin System encompasses nearly all deposit-taking financial institutions in Japan. [Since October 2018](#), it has supported 24/7/365 transfers, and since November 2019, it has been running on its 7th Generation platform. Historically, access to the Zengin System was restricted to deposit-taking financial institutions. However, in September 2022, [Zengin-Net's Board decided to extend access](#) to fund transfer service providers and non-banks.

The impetus for this policy change was a [statement by the Japan Fair Trade Commission \(JFTC\) in April 2020](#). The JFTC suggested that, to ensure equal competitive conditions, it would be advantageous to consider allowing money transfer businesses access to the All-Bank System. In response, a task force conducted extensive discussions with stakeholders, including fund transfer service providers. By January 2021, [the task force proposed expanding participation eligibility](#).

To enhance convenience and reduce burdens on both existing member banks and prospective fund transfer service providers, a new connection method utilising an API gateway was proposed during the current operation period of the 7th Generation Zengin System. This approach, eliminating the need for physical data centres with relay computers, led to the establishment of new technical and institutional requirements. These were agreed through numerous working group meetings that included NBSP participants. Zengin-Net has announced the launch of the API Gateway will be ready for [November 2025](#), and Zengin [announced in October 2024](#) that Wise Payments Japan K.K. has been approved as the first non-bank PSP to gain direct access once the API Gateway goes live.

For settlement, fund transfer service providers can opt to become direct-settling participants in the Zengin System, necessitating a settlement account at the Bank of Japan and Bank of Japan's approval. Alternatively, they can join as indirect-settling participants through a clearing bank.

Eligible fund transfer service providers will be governed by the Financial Services Agency (FSA) under [the guidelines of the Payment Service Act, which was revised in 2022](#) to enhance the responsibilities and roles of participants in the Zengin System.

Ongoing policy developments

In Japan, the drive for direct access is not government-led, and with the system now open to non-banks, policy developments concerning direct access are not a primary focus of the government. This approach underscores the collaborative efforts between regulatory bodies and industry participants to adapt the payment infrastructure to modern needs while fostering a competitive and inclusive financial ecosystem.

Japan continues to evolve its payment systems infrastructure, ensuring it remains a leader in innovation and efficiency. The gradual inclusion of non-banks and the introduction of advanced technical solutions like API Gateways signify a progressive shift towards greater financial inclusion and operational efficiency within the Japanese payment landscape.

Scorecard

4/5

Authorities are actively exploring widening direct access to domestic payment systems to include NBSPs.*

*Japan has confirmed that it will integrate its first NBSP into the Zengin payment system next year, expected in November 2025 - this rating will then be upgraded to 5/5.

Price Transparency



Existing framework & regulations

In Japan, there are no specific laws or regulations that mandate transparency in the banking industry's fee structures for cross-border transactions. Unlike the securities industry, which has clear regulations to ensure transparency, the banking sector remains largely unregulated in this regard.

Customer experience

The customer experience for making cross-border transactions in Japan varies significantly based on the method used.

- At the bank branch or over the phone:** When conducting transactions in person at a bank branch or over the phone with call centre agents, all fee breakdowns are typically explained to both the sender and the recipient. This includes details about the transaction fee, Telegraphic Transfer Selling (TTS) exchange rate (which includes an additional mark-up fee on top of the mid-market rate), intermediary bank fee, and lifting charges. These transactions generally cost much more than online transactions. It can also be a time-consuming process, with some banks indicating that processing a transaction with a customer at a branch can take up to an hour.

- Online Transactions:** Transparency is significantly lower for online transactions. Customers often find it extremely difficult to locate all associated fees upfront. Fee details are scattered across several different web pages, and the user interface is generally not customer-friendly. Banks often provide vague instructions such as "See exchange rate" or "See real-time exchange rate" with page links, without explicitly explaining what fees the customers should be looking for. Furthermore, some banks do not show the exact exchange rates applied during the transaction but only provide approximate amounts in the destination currency, making it hard for customers to gauge the total costs.

The process for conducting online cross-border remittances can be cumbersome. For instance, one major Japanese bank requires customers to submit an online application for due diligence, which can take about five business days. Following approval, registering a recipient triggers another due diligence process typically taking one business day. If a recipient is initially flagged as a sanction hit but later cleared, the bank may still restrict online transactions to that recipient, directing customers to complete the process at a bank branch instead.

Japanese providers' cross-border payment hidden fees based on customer payment journey data collected December 2023

Provider	Exchange rate markup/hidden fee	Transparency rating
JP Post	3%	●
Sony Bank	0.18%	●
MUFG	2.28%	●
Mizuho	2.29%	●
SMBC	1.17%	●
Resona	2.29%	●
Prestia (SMBC Trust)	0.52%	●

This information has been collected from each of the featured providers, by following their money transfer flows. This is a one-off snapshot from the provider's payment journey at a specific point in time. These payment flows are subject to change. The exchange rate markups may fluctuate.

Ongoing policy developments

Japan is currently grappling with prolonged economic stagnation and a weakened yen, key areas of concern for both the government and the Bank of Japan. Economic growth has stalled due to factors like a shrinking workforce, low productivity, and subdued consumer spending. The yen's depreciation against major currencies has exacerbated issues, increasing import costs and putting additional pressure on businesses and consumers. In response, Japanese policymakers are implementing strategic measures to stimulate the economy, such as fiscal stimulus packages and monetary easing, aimed at boosting inflation and reinvigorating growth. Both the government and the central bank are closely coordinating their efforts to stabilise the yen and foster a more robust economic environment.

As a consequence, the Japanese Government has not focused on consumer payments policy as an area of immediate concern. While transparency measures are robust in the securities industry for consumer protection, similar measures have not been extended to the banking sector.

Scorecard

1/5

There are no requirements on all financial service providers to disclose all fees associated with a cross-border transfer, including FX markups.



MEXICO



Direct Access



Existing framework & access

In Mexico, non-bank financial institutions were first granted direct access to the country's payment systems with the aim of fostering competition and innovation in the financial sector in 2019. This move was facilitated by the enactment of the Fintech Law, officially known as the "[Ley para Regular las Instituciones de Tecnología Financiera](#)" (Law to Regulate Financial Technology Institutions). The specific circular that allowed non-bank financial institutions to access the payment systems is [Circular 4/2019](#), issued by Banco de México. This circular established the regulatory framework and operational guidelines for non-bank financial institutions to participate directly in the country's payment systems.

This initiative, overseen by the Banco de México, enables fintech companies, payment service providers, and other non-bank financial institutions to participate in key payment infrastructures such as the Interbank Electronic Payment System (Sistema de Pagos Electrónicos Interbancarios), known as SPEI. By granting these entities direct access, Mexico seeks to enhance financial inclusion, reduce transaction costs, and improve the efficiency and reach of financial services. This regulatory framework supports a more inclusive financial ecosystem by allowing a wider range of financial players to offer payment services directly, promoting a diverse and dynamic financial market.

The Mexican payment and settlement systems have undergone significant change in the last 10 years. Mexico's Central Bank developed and operates SPEI, and went live in 2004 as a real-time hybrid settlement system for payments. This system was developed to facilitate payments between financial institutions, in addition to enabling them to offer safe and efficient retail payment services to the public. SPEI participants can transfer Mexican pesos from their own account and on behalf of their account holders, in real-time, 24 hours per day, every day of the year. Only financial institutions regulated and supervised by Mexican

financial authorities are eligible to participate in SPEI to limit risks that participants generate. These institutions must comply with technical, information security and operational risk management requirements, prior to joining the system.

[Circular 14/2017](#) from Banco de México outlines the criteria and procedures for non-bank financial institutions to access SPEI. It specifies operational, technical, and security requirements non-bank institutions must meet to participate in SPEI directly.

Ongoing policy developments

As of the current regulatory review, there have been no changes to SPEI rules. SPEI continues to function under its existing framework which regulates the conditions and requirements for financial institutions to participate directly in the system. The regulation remains focused on ensuring the stability, security and operation of electronic funds transfers. Current participants are still subject to the same operational, cybersecurity and AML standards as previously mandated with a possibility of future adjustments following the next annual review (December 2024).

Due to the most recent presidential elections the release of new initiatives from the Central Bank remains on hold until the end of the year where the principal institutions will restart the conversations based on the monetary policies and strategies of the new government.

Scorecard

5/5

Banks and NBSPs are permitted to have direct access to payment systems and it has been adopted by at least 1 NBSP.

Price Transparency



Existing framework & regulations

In Mexico, financial service providers are generally free to set their own exchange rates. The [Law for the Transparency and Regulation of Financial Services](#) (Ley para la Transparencia y Ordenamiento de los Servicios Financieros) mandates that financial institutions provide clear and accurate information about the terms and conditions of their services, including exchange rates. [Circular 3/2012](#) issued by Banco de México provides information on how exchange rates should be disclosed to customers.

Financial institutions must inform the public about the exchange rates or prices at which they are willing to buy or sell foreign exchange. The rates must be prominently displayed next to transaction windows or counters and can also be displayed in other areas within the premises. The rules do not go further, however, and currently allow providers to continue to hide fees in exchange rate mark-ups by using inflated rates. The Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros (CONDUSEF) oversees these regulations, ensuring consumer rights in remittance transactions are protected.

Customer experience

For Mexican consumers, the practice of hiding fees in international transfers is prevalent, embedding hidden fees in exchange rate mark-ups. Most providers do not specify the extent of the mark-up, leaving consumers with an incomplete understanding of the true cost of their transactions. The customer experience in Mexico varies significantly based on the method used. Mexican customers can send money abroad through their bank branch, online banking platform, or mobile application. Each of these options have different costs for international transfers depending on the bank, making it very difficult for customers to effectively comparison shop between providers.

Mexican payment providers' cross-border payment hidden fees based on customer payment journey data collected July - September 2024

Provider	Exchange rate markup/hidden fee	Transparency rating
Paysend	2.87%	●
BBVA	2.61%	●
Inbursa	0.67%	●

This information has been collected from each of the featured providers, by following their money transfer flows. This is a one-off snapshot from the provider's payment journey at a specific point in time. These payment flows are subject to change. The exchange rate markups may fluctuate.

Ongoing policy developments

President Claudia Sheinbaum's new administration presents a unique opportunity to enhance financial inclusion by integrating price transparency in cross-border payments into its agenda. While the President has pledged to respect the autonomy of the Central Bank and maintain the current Minister of Finance to ensure continuity and stability, the administration's focus on tighter regulations aimed at consumer protection and financial inclusion could be broadened to include price transparency in cross-border payments.

There have been efforts to improve financial inclusion by expanding access to banking services for marginalised populations and strengthening financial stability through stricter regulations. State-owned banks like Banco del Bienestar have gained significant public and political support as key instruments for promoting social welfare and increasing access to financial services.

By incorporating price transparency in cross-border payments into its financial inclusion agenda, the Sheinbaum administration could align with broader global goals of financial modernisation, further improve financial inclusion, and ensure that Mexican consumers benefit from lower costs, clearer information, and greater access to international financial services. This approach would significantly impact the financial well-being of both Mexican consumers and businesses, but no progress on this has been made to date.

Scorecard

2/5

There is existing regulation for price transparency in disclosing all fees associated with cross-border transfers, but does not specify FX markups as a fee or cost to the end user.



REPUBLIC OF KOREA



Direct Access



Existing framework & access

The Korea Financial Telecommunications and Clearing Institute (KFTC) is a non-profit organisation established in 1986, jointly owned by member banks including the Bank of Korea. The KFTC owns and operates most of the retail payment systems in Korea, which include the Electronic Banking System, the Cheque Clearing System, the Interbank Remittance System, and the ATM Network.

The Financial Services Commission (FSC) [launched a pilot open banking system](#) in the banking sector in October 2019 in an effort to foster greater competition and innovation in the financial sector. Following its successful pilot phase, the [FSC announced in December 2019](#) that the open banking system would be extended to fintech firms. This move allowed non-bank payment service providers (NBPSPs) direct access to the KFTC's infrastructure through a designated commercial bank account, which acts as a gateway to the open banking system.

To gain access, non-banks are required to register and enter into an agreement with the KFTC to designate their gateway bank account. Once non-banks secure access, they can connect through the KFTC-operated platform to all participating banks, thereby accessing account and transaction information held by these banks, subject to customer consent. This system effectively leverages open banking to democratise access, enabling NBPSPs to provide innovative financial services using comprehensive account and transaction data.

Ongoing policy developments

The Korean government is continuously refining regulatory frameworks to ensure the security, compliance, and efficient operation of the open banking system. This also includes efforts to provide broader access and integration opportunities for NBPSPs within the financial system.

These policy efforts highlight Korea's commitment to fostering a competitive and innovative financial sector. By opening up critical financial infrastructure to NBPSPs, the Korean authorities are promoting greater financial inclusion and enabling NBPSPs to play a more active role in the payment ecosystem. This approach ensures that innovation is balanced with robust risk management, contributing to the overall stability and efficiency of Korea's payment systems.

Scorecard

5/5

Banks and NBPSPs are permitted to have direct access to payment systems and it has been adopted by at least 1 NBPSP.

Price Transparency



Existing framework & regulations

In South Korea, it is mandatory to disclose the applied conversion rate to customers at the time of transactions. However, banks and financial institutions set exchange rates without having any reference to a benchmark FX rate or how their retail rate compares to a benchmark rate.

The Korean Federation of Banks has made [publicly available](#) comparative information of 17 commercial banks based in Korea and their remittance fees to increase competition and transparency in Korea's remittance market. However, this information is only regarding the fixed fee component of a transfer and does not include any indication of the FX margin.

Customer experience

In Korea, the customer experience for sending money abroad differs greatly depending on the method used. Customers can transfer funds through bank branches, online banking, and mobile apps. However, the differences in costs between various banks make it difficult for consumers to compare and choose the best option.

Furthermore, the exchange rates are not transparent to customers. Most consumers cannot distinguish between the explicit fees charged and the exchange rate mark-ups included in their transactions. This lack of transparency makes it harder for customers to understand the true cost of their transfers.

Korean banks also have unclear pricing models. Traditional banks often use VIP tiers and cross-subsidisation practices, offering better rates to their VIP customers while covering these costs through higher fees for regular customers.

Korean payment providers' cross-border payment hidden fees based on customer payment journey data collected September 2024

Provider	Exchange rate markup/hidden fee	Transparency rating
Woori Bank	0.95%	●
Hana Bank	0.73%	●
KB Kookmin Bank	1.04%	●

This information has been collected from each of the featured providers, by following their money transfer flows. This is a one-off snapshot from the provider's payment journey at a specific point in time. These payment flows are subject to change. The exchange rate markups may fluctuate.

Ongoing policy developments

Transparency in cross-border payments has not been a priority for the South Korean Government's agenda. Instead, the government's focus has been on bolstering domestic economic resilience and fostering long-term structural reforms. Amid global economic turbulence and domestic pressures, the Government's priorities include sustaining balanced economic growth, managing interest rates to counter inflation, and overseeing the integration of digital financial services to foster innovation without compromising stability. Strengthening the regulatory framework and enhancing cyber resilience in the financial sector are also key objectives, given the increasing reliance on digital platforms and the corresponding rise in cyber threats. Addressing these priorities in the economy and financial services has been the government's central focus, and there is no indication of upcoming policy work on improving transparency efforts.

Scorecard

2/5

There is existing regulation for price transparency in disclosing all fees associated with cross-border transfers, but does not specify FX markups as a fee or cost to the end user.



SAUDI ARABIA



Direct Access



Existing framework & access

In 2016, Saudi Arabia unveiled its [Vision 2030](#) national plan, which aims to diversify the economy and promote non-oil sectors such as financial services and technology. The plan aims to have a minimum of 525 financial technology companies operating in Saudi Arabia by 2030, generate 18,000 jobs in the fintech sector, contribute SAR 13 billion (approximately USD 3.5 billion) to the GDP, and secure SAR 12 billion (approximately USD 3.2 billion) in direct venture capital investments.

In line with these goals, the Saudi Central Bank (SAMA) introduced the [Payments Services Provider Regulatory Guidelines](#) in January 2020. These guidelines were designed to facilitate market entry for non-bank firms and foster innovation and efficiency within Saudi Arabia's payment landscape. Additionally, SAMA implemented the Law of Payments and Payment Services in February 2022 and issued the [Implementing Regulation of the Law of Payments and Payment Services](#) in June 2023, providing further clarity on procedures, licensing, supervision, and oversight requirements. To date, SAMA has granted a total of 26 E-Money Institution (EMI) and Payment Institution (PI) licences to non-banks.

In 2019, the establishment of Saudi Payments, a wholly owned subsidiary of SAMA, further bolstered the national payment infrastructure. Saudi Payments was mandated to develop a secure and interoperable payment infrastructure while ensuring technical standardisation and a level playing field between banks and non-banks. In 2021, Saudi Arabia launched its first 24/7 instant payment system, [Sarie](#). [Sarie](#) allows customers of local banks to send and receive fund transfers of up to SAR 20,000 in real-time and offers features such as proxy payments, enabling fund transfers to alternative identifiers like mobile numbers, national ID numbers, or email addresses. There are currently 11 participants in [Sarie](#), all of which are banking institutions. Besides [Sarie](#), Saudi Payments operates Mada (national payment scheme for ATMs and POS terminals), SADAD (electronic bill payment system), and Esal (digital invoicing, integrated with SADAD). These systems are available only to licensed banks.

Ongoing policy developments

While there are significant developments in modernising Saudi Arabia's payment landscape and enhancing domestic payment systems, there is still a lack of clear framework with regard to non-banks' direct access to payment systems. Continuous policy development is required to address this gap. Efforts to establish a clear and inclusive framework for non-banks' direct access to payment systems would not only promote fair competition but also foster a more dynamic and innovative financial ecosystem. SAMA has made positive steps towards this: the regulator has confirmed that the [Sarie](#) payment system plans to expand direct participation to include non-banks, once an appropriate review of regulations and requirements are completed. Saudi Arabia's focus on aligning with international best practices and leveraging financial technology will be crucial in driving the next wave of growth and achieving the ambitious targets set out in Vision 2030.

Scorecard

1/5

Only licenced banks are permitted to have direct access to payment rails.

Price Transparency



Existing framework & regulations

In Saudi Arabia, the [Payment Services Provider Regulatory Guidelines](#) issued by the Saudi Central Bank (SAMA) mandate that all payment service providers disclose a schedule of fees, charges, and commissions to their customers. This includes currency conversion rates and withdrawal charges, where applicable. However, these guidelines do not explicitly require the disclosure of conversion markups as a distinct fee or cost to the end user. Consequently, although some fee information is available, transparency regarding the specific costs embedded in currency conversion rates remains limited.

Customer experience

Typically, sending money abroad from Saudi Arabia can be a frustrating and costly experience. At first the fees might seem reasonable, but exchange rate markups are commonplace and there are often extra costs like transaction fees or charges from intermediary banks that aren't clearly explained upfront. There is also often a transaction limit on sending money abroad, over which customers are required to physically visit a bank branch. Newer entrants to the market are beginning to provide a better customer experience and competitive fees, but FX padding is still not disclosed.

Saudi Arabian payment providers' cross-border payment hidden fees based on customer payment journey data collected September - November 2024

Provider	Exchange rate markup/hidden fee	Transparency rating
STC Pay	4.7%	●
Al Rajhi	2.6%	●
Western Union	1.3%	●

This information has been collected from each of the featured providers, by following their money transfer flows. This is a one-off snapshot from the provider's payment journey at a specific point in time. These payment flows are subject to change. The exchange rate markups may fluctuate.

Ongoing policy developments

At present, there are no substantial policy initiatives from the central bank or the government specifically targeting the enhancement of transparency within the cross-border remittance sector. However, given the strategic direction outlined in Saudi Arabia's Vision 2030—which seeks to bolster financial inclusion, foster the development of the fintech industry, and modernise regulatory frameworks—there exists a significant opportunity to reevaluate and potentially enhance transparency in this domain to align with and support these broader ambitions. Vision 2030's comprehensive reform agenda underscores the importance of creating a dynamic and transparent financial sector, suggesting that future policy considerations may increasingly prioritise transparency in cross-border remittances as part of its overarching goals.

Scorecard

2/5

There is existing regulation for price transparency in disclosing all fees associated with cross-border transfers, but does not specify FX markups as a fee or cost to the end user.



SOUTH AFRICA



Direct Access



Existing framework & access

South Africa's financial services landscape, traditionally dominated by banks, is undergoing significant change due to the emergence of non-bank entities providing payment services. This shift is driven by regulatory updates, technological innovations, and changing consumer demands. While the fintech sector in South Africa is still in its early stages, it is experiencing rapid growth, particularly in niche sectors.

According to the current regulations, a PSP must be either a bank or sponsored by a bank, with one significant exception. [Section 7 of the National Payment System Act \(NPS Act 78 of 1998\)](#) allows non-banks to act as third-party payment providers within the NPS if the payments are made to a third party and are not considered deposits. In cases where payments are 'not-due,' non-banks must obtain sponsorship from a bank. Both the sponsoring bank and the third-party payment provider must then apply to SARB for authorisation.

In support of these provisions, SARB issued Directives in September 2007 to establish minimum criteria for non-banks participating in the NPS:

- [SARB Directive 1 of 2007](#): This directive recognises that accepting payments to third persons under certain conditions provides value to NPS users while controlling the associated risks. It includes examples such as:
 - ◊ Payments accepted by a person (beneficiary service provider) regularly on behalf of a beneficiary from multiple payers, such as a retailer accepting utility bill payments.
 - ◊ Payments accepted by a person (payer service provider) to make payments on behalf of a payer to multiple beneficiaries, such as salary payments on behalf of employers to employees.
- [SARB Directive 2 of 2007](#): This directive acknowledges the value of services related to payment instructions provided by System Operators (SOs). An SO, as defined in the NPS Act, is an entity that facilitates payment instructions (acting as an intermediary for the receipt and/or delivery of payment instructions) for a bank or a payment clearing house (PCH) system operator. SOs function as intermediaries for various institutions, including banks, beneficiary service providers, payer service providers, and bank clients.

Ongoing policy developments

The ongoing policy developments are geared towards addressing the limitations faced by non-bank entities. Specific recommendations from the [2018 Review of the National Payment System Act](#) of 1998 outline several transformative measures, including:

- Allowing both banks and non-banks to offer retail payment services (e.g., remittance, e-money).
- Permitting any entity to provide clearing services with appropriate settlement arrangements.
- Enabling any entity to settle in the SARB system if they meet risk reduction requirements.

These proposed changes aim to transform and enhance financial inclusion, improve access, stimulate competition, and reduce the cost of payment services within the NPS. Adopting these recommendations will be crucial for fostering innovation and providing end-users, particularly individuals and small businesses, with more diverse and accessible payment solutions. To date, these reforms have not been actioned, but are expected to be included in South Africa's [Conduct of Financial Institutions Bill \(COFI\) Bill](#) which has not yet received parliamentary approval.

Consistent with this, in a [media statement](#) released by SARB in March 2023 addressing the launch of Payshap, a low-value, real-time digital payment system, it states that even though in the initial phase it will only allow the participation of banks, SARB further expects the offering to be extended to service provision by non-banks as soon as it is practically possible.

Scorecard

3/5

Licensed banks and some other institutions are permitted to have direct access to payment systems, and authorities are currently considering widening access to NBPSPs.

Price Transparency



Existing framework & regulations

At present, there is no regulatory framework specifically addressing transparency in cross-border payments within South Africa. The [Consumer Protection Act 68 of 2008](#), while aimed at establishing national norms and standards for consumer protection, enhancing standards of consumer information, and prohibiting unfair marketing and business practices, does not encompass transparency standards regarding fee disclosure, foreign exchange (FX) margin transparency, or the enforcement thereof.

The [World Bank's Remittance Prices Worldwide Quarterly](#) report confirms that South Africa has consistently remained the costliest G20 country to send remittances from. In Q1 2024, remitting from South Africa incurred an average cost of 13.18% - on an assumption that this figure is based on cash transactions that developing economics heavily rely on, which are not covered in this report.

Customer experience

For the average South African consumer, the process of sending money abroad is generally complex and expensive. The costliness is predominantly attributed to Western financial institutions classifying the South African Rand (ZAR) as an exotic currency, thus imposing higher fees. Additionally, the competitive landscape is significantly limited due to stringent exchange control regulations in South Africa.

A consumer typically encounters various charges when transferring funds internationally through traditional banks, including commission fees, SWIFT fees, intermediary and beneficiary bank fees. These fees are often fixed and are not proportionate to the transfer amount, which makes sending smaller sums of money particularly expensive. While large banks do offer competitive exchange rates, the combination of high upfront fees and untransparent FX can detract from the overall customer experience. Many in South Africa also remit using cash-based services, which are not covered in this report.

Apart from these financial burdens, consumers must also navigate the complexities of exchange control limits and tax implications. This process is often compounded by the substantial amount of paperwork required, adding to the overall difficulty and administrative demands faced by South African individuals wishing to send money abroad.

South African payment providers' cross-border payment hidden fees Based on customer payment journey data collected September 2024

Provider	Exchange rate markup/hidden fee	Transparency rating
Standard Bank	1.01%	●
Shyft (Standard Bank)	0.61%	●
Investec	0.67%	●
ABSA	0.71%	●

This information has been collected from each of the featured providers, by following their money transfer flows. This is a one-off snapshot from the provider's payment journey at a specific point in time. These payment flows are subject to change. The exchange rate markups may fluctuate.

Ongoing policy developments

Following the Financial Sector Regulation Act of 2017 ("FSR Act"), the Minister of Finance published the [Conduct of Financial Institutions Bill](#) ("COFI Bill") in December 2018 for public consultation. The COFI Bill proposes to consolidate and refine the conduct requirements for financial institutions, which are currently fragmented across various financial sector laws. It plans to replace the conduct provisions with a robust, coherent, and consistent market conduct legislative framework for all entities engaged in financial activities.

The primary objective of the COFI Bill is to enhance the regulation of the financial sector, particularly concerning the treatment of customers and general market conduct. It mandates that financial institutions provide consumers with clear, comprehensive information about their services, associated fees, and product-related risks. Specifically, in relation to transparency, Section 58(1) of the COFI Bill stipulates that "A financial institution must ensure that financial products and financial services

are promoted and marketed to financial customers in a manner that is clear, fair, unambiguous, and not misleading." Additionally, the COFI Bill empowers the regulatory authority to prescribe conduct standards addressing the transparency of financial products.

The Financial Sector Conduct Authority (FSCA) initially released the COFI Bill for public comment in December 2018, followed by a revised version in September 2020, incorporating industry feedback. As of now, the Bill has not yet been submitted to Parliament for approval. It is anticipated that the COFI Bill will be promulgated in 2024, with a phased implementation plan to follow.

Scorecard

1/5

There are no requirements on all financial service providers to disclose all fees associated with a cross-border transfer, including FX markups.



Direct Access



Existing framework & access

Türkiye's legal framework for payment services and non-bank firms is primarily governed by [Law No. 6493 on Payment and Securities Settlement Systems, Payment Services, and Electronic Money Institutions](#), established in 2013. This law outlines the rules, procedures, and principles governing the operations of non-bank firms and payment and settlement systems. The accompanying [Regulation on the Activities of Payment and Securities Settlement Systems](#), issued in 2014, further specifies the operational procedures and principles for payment system operators. According to this regulation, participation rules set by payment system operators must be reasonable, impartial, and clearly defined, ensuring that all legal entities meeting the criteria are allowed to participate.

Since 2012, the Central Bank of the Republic of Türkiye (CBRT) has operated the Retail Payment System (RPS), which processes domestic low-value transfers with an average execution time of 30 seconds. To meet increasing demand for extended operating hours, the CBRT launched the Instant and Continuous Transfer of Funds (FAST) System in 2021. The FAST System operates 24/7, providing instant availability of funds and instant end-to-end notifications. Initially, access to the FAST System was limited to banks. However, in [December 2022 the CBRT announced](#) that non-bank payment institutions and electronic money institutions could also become direct participants in the FAST System. As of February 2024, there are [10 non-bank participants](#) in the FAST System, all of which are local e-money institutions. However, while there are no legal barriers to NBPSPs directly connecting to the payment system, there still remain other market access barriers to foreign NBPSPs wanting to operate in Türkiye.

Ongoing policy developments

Further policy efforts are anticipated to build on this momentum. This includes potential regulatory updates to streamline the participation process for non-banks, ensuring that more diverse financial service providers can access the national payment infrastructure. The commitment to reasonable and impartial participation criteria is expected to support broader market entry, thereby driving competition and efficiency.

However, the CBRT remains heavily focused on addressing the country's persistent high inflation rate, which poses a significant challenge to economic stability. Controlling inflation remains the CBRT's primary focus, with ongoing efforts directed towards tightening monetary policy, managing interest rates, and implementing measures to stabilise the Turkish lira.

Scorecard

5/5

Banks and NBPSPs are permitted to have direct access to payment systems and it has been adopted by at least 1 NBPSP.

Price Transparency



Existing framework & regulations

Under Article 50 of the [Regulation on Payment Services, Electronic Money Issuance, and Payment Service Providers](#), the Central Bank of the Republic of Türkiye (CBRT) mandates that payment service providers must inform their customers about the total fees to be paid. This includes a detailed breakdown of fees such as commissions and loyalty points, as well as foreign exchange conversion rates, where applicable. However, the regulation does not require providers to disclose conversion markups as a distinct fee or cost to the end user.

While this provides a degree of transparency regarding the costs associated with payment services, it falls short of offering complete clarity on the actual markups applied to foreign exchange transactions. Consequently, consumers may still need to conduct their own research to understand the full extent of the charges associated with currency conversion.

The CBRT aims to ensure fairness and transparency in financial transactions and services. However, in practice, the lack of explicit requirements to disclose FX markups allows financial institutions some leeway to include hidden fees within inflated exchange rates. This can make it challenging for consumers to accurately compare costs across different providers, thereby potentially affecting their decision-making process.

Customer experience

In Türkiye, customers commonly use their bank or Western Union to send money abroad. Customers regularly encounter exchange rate markups along with additional fees. Providers in Türkiye typically implement different buy and sell rates, making it very difficult for consumers to effectively comparison shop for the best rate. While the buy and sell rates are widely seen by consumers, these typically include variable markups which are not well understood or explained by providers. These markups can also fluctuate significantly in the percentage difference between buying and selling rates throughout the week.

Customers primarily have access to SWIFT correspondent banking and Western Union options for international transfers through their banks' online platforms. Both methods generally involve additional fees on top of the exchange rate markup. While Western Union offers expedited transfer options, transfers via SWIFT tend to be slower. Furthermore, many banks impose additional charges if a customer opts to complete their transaction at a physical branch rather than using online banking services.

Turkish payment providers' cross-border payment hidden fees Based on customer payment journey data collected September 2024

Provider	Exchange rate markup/ hidden fee	Transparency rating
Halkbank	3.47%	●
Ziraat Bankası	3.32%	●
Vakıfbank	3.65%	●
Garanti BBVA	3.08%	●
ING Bank	2.72%	●
Akbank	3.55%	●
İş Bankası	4.13%	●
Yapı kredi	3.12%	●

This information has been collected from each of the featured providers, by following their money transfer flows. This is a one-off snapshot from the provider's payment journey at a specific point in time. These payment flows are subject to change. The exchange rate markups may fluctuate.

Ongoing policy developments

There are currently no ongoing policy developments to improve transparency in cross-border payments by the Turkish Government or the CBRT. The CBRT remains heavily focused on addressing the country's persistent high inflation rate, which poses a significant challenge to economic stability. Controlling inflation remains the CBRT's primary focus, with ongoing efforts directed towards tightening monetary policy, managing interest rates, and implementing measures to stabilise the Turkish lira.

Scorecard

2/5

There is existing regulation for price transparency in disclosing all fees associated with cross-border transfers, but does not specify FX markups as a fee or cost to the end user.



UNITED KINGDOM



Direct Access



Existing framework & access

Following a [2016 consultation](#) by the Bank of England to open up access to the UK's RTGS system, the UK Treasury confirmed in October 2016 that it would include payment institutions defined as "non-bank payment service providers such as some 'fintech' firms" within the scope of the Settlement Finality Regulations (the national implementation of the EU's Settlement Finality Directive) to "allow PIs to participate in central bank settlement at the Bank of England and become members of the main UK retail payment systems". The Bank of England's Regulatory Policy Committee confirmed this didn't require an impact assessment as it was classified as a "non-qualifying regulatory provision".

The [Bank then announced in July 2017](#) that it was extending RTGS accounts to non-bank PSPs (NBPSPs). The regulatory framework supporting this change involved amendments to the Bank of England's policies and procedures for access to the UK payment systems. This move was part of the Bank's strategy to enhance financial stability, resilience, competition, and innovation in the payments market.

This shift was aligned with the objectives of the Payment Systems Regulator (PSR) to promote competition and innovation in payment services. The change meant that non-bank PSPs, such as e-money institutions and payment institutions, could hold settlement accounts with the Bank of England and directly access the services of the RTGS system.

The first NBPSP to gain direct access to the UK's RTGS system was TransferWise (now known as Wise). They obtained a settlement account and were able to become a direct settling participant in the Faster Payments System (FPS) in April 2018. This marked a significant step in increasing competition and innovation in the UK's payment systems.

Prior to this change in policy, only 11 banks were directly connected to FPS. [As of October 2024](#), this has now expanded to 29 banks and 16 NBPSPs in the UK.

Ongoing policy developments

The Bank of England conducted a consultation on opening up access to its balance sheet in 2019. In its [June 2021 response](#), the Bank recognised the competition and risk reduction benefits of allowing EMIs to safeguard at the Bank. It did, however, flag its key risk concern as associated with a potential disorderly failure of a non-bank payments firm, and called for the Electronic Money and Payment Services Regimes to be strengthened before any changes to access.

In February 2024, the Bank of England launched a further [consultation](#) regarding expanding access to RTGS settlement accounts to more participants, and an additional [consultation](#) in July 2024 on innovation in money and payments. The Bank has yet to respond to these consultations.

These efforts are evidence that the Bank of England continues to be world-leading in innovating and opening up access to its services and payment schemes, while maintaining resilience and stability in the British financial ecosystem.

Scorecard

5/5

Banks and NBPSPs are permitted to have direct access to payment systems and it has been adopted by at least 1 NBPSP.

Price Transparency



Existing framework & regulations

The EU's 2019 Cross-Border Payments Regulation 2 (CBPR2) included several provisions for cross-border payments to be transparent and show all currency conversion charges up front to customers, and was onshored in the UK post-Brexit via the [Securities Financing Transactions, Securitisation and Miscellaneous Amendments \(EU Exit\) Regulations 2020](#). Through this regulation, financial services firms were required to:

- Inform a customer prior to the initiation of the payment transaction, in a clear, neutral and comprehensible manner, of the estimated charges for currency conversion services applicable to the credit transfer.
- Provide the actual exchange rate that will be applied to the transaction as well as all charges related to the currency conversion service.

This is the main regulatory vehicle through which transparency in cross-border payments was to be achieved for payments between the UK and the EU. However in practice, firms are circumventing these rules due to a lack of legal clarity that a firm using its own exchange rate, which is typically higher than the mid-market exchange rate, constitutes a 'currency conversion cost' to the customer. It must also be noted that the regulations only apply to intra-EU currencies (and now post-Brexit, GBP to intra-EU currencies), and not more generally to all international payments.

Separately, the UK's [Payment Services Regulations \(PSRs\) 2017](#), which implemented the EU's second Payment Services Directive (PSD2), also has some provisions for providing transparency to consumers in cross-border payments. It is broader in scope and applies to payments generally, including cross-border. Again however, the language in the regulations isn't sufficiently robust to ensure price transparency is implemented in practice by industry.

CBPR2 specifically seeks to enhance transparency and cost consistency for cross-border payments, and the PSRs 2017 provides a complimentary framework for all payment services within the UK. Together, they were designed to ensure that consumers receive clear,

transparent, and comparable information about fees, charges, and exchange rates, both before and after transactions. This has not been effectively realised across the UK market.

The UK's Financial Conduct Authority (FCA) also introduced its new [Consumer Duty in July 2022](#), which came into force on 31 July 2023. It contains a specific 'price and value' pillar, which aims to protect consumers from unfair pricing practices, such as excessive fees, charges, or penalties that do not correspond to the product or service's value. It also has a separate 'consumer understanding' pillar, which requires firms to promote understanding by customers to help them make informed decisions, to ensure they are not misled or confused. Should the FCA look to examine how the cross-border payments market currently operates in the UK, it could choose to enforce greater price transparency through these pillars of the Consumer Duty. It has not done so to date.

Customer experience

The customer experience has shifted to providers lowering their upfront fee, or showing fees as zero, due to the equalisation of fees provision in CBPR2. However, this has led to providers raising their FX markups instead: market research shows that the vast majority of banks still hide fees, with these usually hidden deep inside Terms & Conditions (T&Cs) in consumer contracts. However, we have found evidence of some providers moving towards transparency but not fully: for example, some providers do calculate and show their FX margin as a fee or as a percentage, but this is hidden behind a tooltip and isn't easily available or found by consumers. This is some progress, but still goes against the spirit of what CBPR2 and the PSRs 2017 envisaged.

Based on market research of major UK banks and NBPSPs, fintech companies in the UK in both categories are largely transparent with their customers in cross-border exchange rates and fees, with traditional banks less so.

UK payment providers' cross-border payment hidden fees based on customer payment journey data collected September - October 2024

Provider	Exchange rate markup/ hidden fee	Transparency rating
Natwest	2.49%	●
Santander	3.36%	●
HSBC	3.5%	●
Revolut	0.19%	●
Barclays	2.8%	●
Halifax	3.6%	●
TSB	3.56%	●
Starling Bank	0%	●
Monzo	0%	●

This information has been collected from each of the featured providers, by following their money transfer flows. This is a one-off snapshot from the provider's payment journey at a specific point in time. These payment flows are subject to change. The exchange rate markups may fluctuate.

Exchange rate mark-ups and hidden fees are still commonplace amongst the UK's largest financial service providers, showing that full transparency is not yet realised in Britain. There is also little customer understanding around exchange rates offered by financial institutions: in 2018, the UK Government's [Behavioural Insights Team conducted research](#) which shows that the number of first time consumers (people who make their first cross-border transaction) who can identify the cheapest deal doubles once there is full price transparency - which includes FX markups.

Without this, there is little comparison shopping or effective competition between firms which would create a market-led downward pressure on prices for cross-border transfers. It is evidence that transparency only works if the whole market adopts the same model. Standardisation is the only way there is a strong customer impact.

Ongoing policy developments

In January 2023, the UK Government [launched a consultation](#) on reviewing and revising the PSRs to update the regulations and potentially utilise the decoupling of financial services regulation from the EU. In the consultation, the Government specifically asks for views on the Cross-Border Payments Regulation in relation to the transparency of currency conversion, and

any changes industry would like to see. We note that several firms and trade organisations in the UK directly called for stronger transparency rules with regards to cross-border payments.

The consultation response was due to be published earlier this year, but has been delayed several times due to parallel policy initiatives, as well as the General Election in July 2024. There has been no progress or indication of positive development towards greater transparency since the consultation initially launched.

Scorecard

3/5

Existing regulation requires price transparency in cross-border payments, including FX markups, but this is not well enforced or the regulation is not strong enough to deliver price transparency for end users.



UNITED STATES OF AMERICA



Direct Access



Existing framework & access

In contrast to other jurisdictions that provide more inclusive access to payment systems, the United States – where [82% of Americans engage in digital payments](#) – only offers a full-service Master Account. Banks and non-banks can apply for a Master Account, which grants access to the full suite of services from the Federal Reserve, including central bank payment services, but the hurdles for non-banks are much higher than in other G7 economies.

In response to increasing demands for transparency and broader access, the Federal Reserve revised its access guidelines in 2022. This revision introduced a three-tiered approval system: Tier 1 represents traditional banks and is subject to the least scrutiny, Tier 2 applies to non-federally insured institutions subject to prudential supervision by a federal banking agency, and Tier 3 allows for master accounts for entities such as newly chartered banks (not federally-insured and not subject to prudential supervision), subject to the highest scrutiny.

Despite the revised framework, the requirement that a Master Account holder must be a depository institution eligible for FDIC insurance remains unchanged. This stipulation presents a significant barrier for many companies primarily engaged in payment services, as it necessitates a fundamental business transformation to gain access to the payment systems. Consequently, the United States remains the only G7 country that does not either allow direct access for NBPSPs to its national payment system, or have plans to do so.

Ongoing policy developments

- **Federal Reserve on Expanding Access:** Although some believe that the Federal Reserve already has the necessary legal authority to enable access to Settlement Accounts for NBPSPs, it is evident that the Federal Reserve is unlikely to further expand access to its payment systems independently, without additional political support from Congress or statutory revisions.

- **Potential Congressional action:** Legislation to expand access to payment systems faces significant hurdles due to Congressional gridlock, especially on complex issues. The recent termination of Chevron deference implies that future legislation may impose stricter limits on agency discretion. Additionally, challenges include Democratic concerns about the lack of federal-level prudential supervision of payment systems—currently regulated at the state level—and Republican tendencies to support traditional banks. Although some newer and younger Congressional members interested in fintech have raised concerns with the Federal Reserve about limited access, none have emerged as leading champions by sponsoring relevant bills.
- **Tiered approval system:** For companies primarily engaged in payment services, the three-tiered approval system necessitates exploring various pathways to fit within this framework. Some potential avenues include obtaining a charter or trust to apply for a Tier 3 Master Account, through options such as an OCC National Trust, state charter, or Industrial Loan Corporation (ILC). However, the likelihood of approval for such financial institutions (Tier 3) remains low. Since 2017, the [Federal Reserve has received 28 applications](#) from Tier 3 institutions, with only one recent approval. In May 2024, Numisma (formerly Currency Reserve) was [granted a Tier 3 account](#) via its Connecticut charter through the New York Federal Reserve. Conversely, other Tier 3 applications, such as Custodia ([currently litigating against the Federal Reserve](#)) and [The Narrow Bank \(TNB\)](#), have faced denials due to their more controversial business models.

Scorecard

2/5

Licensed banks and some other institutions are permitted to have direct access to payment systems, but this is not extended to NBPSPs.

Price Transparency



Existing framework & regulations

The Consumer Financial Protection Bureau (CFPB) oversees international money transmitters to ensure compliance with the [Remittance Rule](#). This rule mandates the disclosure of certain fees in a consumer cross-border payment, including the amount sent, the amount received, and any fees associated with the transaction. However, the Remittance Rule does not require that an exchange rate markup be presented as a separate fee. This omission allows payment providers to charge hidden fees through inflated exchange rates. It is important to note that the protections offered by the Remittance Rule do not extend to small businesses.

Customer experience

Currently, when a customer initiates a cross-border payment, they are informed of the amount being sent, any associated fees, the exchange rate, and the amount the recipient will receive. The primary issue is that the declared total fees do not need to account for any exchange rate markups. As a result, providers can apply hidden fees through marked-up exchange rates, making it difficult for customers to comparison shop effectively. Consumers regularly have a misleading experience where costs can be listed as "\$0", but hidden within the inflated exchange rate.

Until recently, providers could market their services as having zero fees or promotional rates, only to mark up the exchange rate once the customer used the platform. Fortunately, as of March 2024, the CFPB has [clarified](#) that such practices may be deceptive and could be subject to enforcement actions.

US payment providers' cross-border payment hidden fees based on customer payment journey data collected April 2024

Provider	Exchange rate markup/hidden fee	Transparency rating
Wells Fargo	3.67%	●
Bank of America	2.75%	●
JP Morgan Chase & Co	2.85%	●
Citibank	3.7%	●
Xoom (Paypal)	1.6%	●
MoneyGram	1.4%	●
Western Union	1.73%	●
Remitly	1.83%	●

This information has been collected from each of the featured providers, by following their money transfer flows. This is a one-off snapshot from the provider's payment journey at a specific point in time. These payment flows are subject to change. The exchange rate markups may fluctuate.

Ongoing policy developments

In March 2024, the CFPB addressed deceptive advertising by clarifying that promoting "free" transfers while marking up the exchange rate may constitute a deceptive practice under the [Unfair, Deceptive, or Abusive Acts or Practices \(UDAAP\)](#) framework. This announcement marked the first public statement by the CFPB that exchange rate markups are problematic and aligned with the broader Biden administration initiative against "junk fees." While this announcement represents a significant victory in the fight against hidden fees, further actions are necessary to ensure Americans are not subjected to hidden fees via exchange rate markups.

There is growing support from consumer advocacy groups and within Congress to push for more comprehensive transparency. Well-respected consumer and immigration advocates such as UnidosUS, the National Consumer Law Center (NCLC), and Americans for Financial Reform (AFR) have been vocal in their calls for the CFPB to take stronger measures. Additionally, members of Congress on both sides of the aisle have voiced increasing interest in ensuring transparency in financial services, specifically exchange rate markups. This expanding support underscores a bipartisan recognition of the need for further regulatory actions to protect consumers from hidden costs in cross-border payments.

Scorecard

4/5

Authorities are actively exploring new action/rules on price transparency to strengthen end user understanding and force all financial service providers to disclose all cross-border payment fees, including FX markups.



EUROPEAN UNION



Direct Access



Existing framework & access

In 2020, the European Commission consulted on its Retail Payment Strategy, which included questions around democratising access to its payment systems. In September that year, its adopted [Retail Payment Strategy](#) included an admission that “indirect access via banks may not be the best option for many non-bank payment service providers, as this makes them dependent on those banks.” That’s why the Commission committed to extending the scope of the [Settlement Finality Directive \(SFD\)](#). The SFD, a piece of legislation first introduced in 1998, defines the eligible participants in designated payment systems and it initially excluded non-bank e-money institutions and payment institutions from that list.

While the European Commission consulted on the extension of the participant list in the SFD in 2021, it was the EU’s [Instant Payments Regulation \(IPR\)](#), adopted in 2024, that introduced amendments to the SFD. This was not the European Commission’s initial intention, as the IPR mainly aimed to make euro instant payments mandatory. However, as the obligation to offer instant payments applied both to banks and to non-banks, it no longer made sense to exclude non-banks from direct payment system access. Via amendments proposed both by the European Parliament and the Council of the EU, the necessary changes to the SFD were included in the IPR.

From 9 April 2025, all EU Member States need to have introduced the necessary amendments to their national rules to ensure NBPSPs can access the local payment systems. However, there is a risk that some Member States will miss the transposition deadline. In its [‘Policy on access by non-bank payment service providers’](#), the Eurosystem has stated that if one or more Member States fails to transpose the SFD into national legislation on time, the date may need to be postponed.

Once the amended SFD is officially transposed, NBPSPs will be able to obtain a settlement account with EU Member State central banks. Today, however, the only parties able to obtain a settlement account and participate directly in T2 (which replaced TARGET2, the EU’s real-time gross settlement system) are banks, certain investment firms and government bodies.

Ongoing policy developments

To access a payment system, NBPSPs will need to provide assurances on safeguarding, governance and internal controls. In addition, they will also need to show a resolution plan (wind-up plan) in case of failure. EU Member States will need to define the procedure to assess compliance with these requirements when they transpose the rules in national law.

While the minimum requirements that should be assessed are clear, it is currently unclear how those will be assessed and what the access criteria will look like for NBPSPs. A harmonised access [framework](#) was recently published by the Eurosystem, which comprises the European Central Bank (ECB) and the national central banks of the eurozone. This was to ensure that the whole eurozone adopts the same criteria. The policy leaves a lot of power to Member States to ensure they can put their own tests and technical requirements forward.

Scorecard

4/5

Authorities are actively exploring widening direct access to domestic payment systems to include NBPSPs.*

*The EU has formally expanded direct access to non-banks through legislation passed in April 2024, but NBPSPs will not be able to begin integration with payment systems until April 2025. After NBPSPs begin to be onboarded to European payment systems, we anticipate the score to be upgraded to 5/5.

Price Transparency



Existing framework & regulations

The EU's [Second Payment Services Directive \(PSD2\)](#) entered into force in January 2018. It includes requirements for providing transparency to consumers in cross-border payments. It specifies that providers should disclose "all charges payable" to their customers, but most industry players have chosen to exclude any exchange rate markups from the "charges payable". The language in the regulations isn't sufficiently robust to ensure price transparency is implemented in practice by industry. As a result, industry practice was to hide any FX margins and claim low or no upfront fees for money transfers.

In 2019, the EU adopted the [Cross-Border Payments Regulation 2 \(CBPR2\)](#) to drive down the cost of cross-border payments within the EU. As it's a Regulation, it's legally binding across all 27 EU Member States and does not require national transposition. The CBPR2 included several provisions for cross-border payments to be transparent and show "all currency conversion charges" up front to customers. Through this regulation, financial services firms were required to:

- Inform a customer prior to the initiation of the payment transaction, in a clear, neutral and comprehensible manner, of the estimated charges for currency conversion services applicable to the credit transfer.
- Provide the actual exchange rate that will be applied to the transaction as well as all charges related to the currency conversion service.

This is the main regulatory vehicle through which transparency in cross-border payments was to be achieved for payments within the EU. However in practice, firms are circumventing these rules due to a lack of legal clarity that a firm using its own exchange rate, which is typically higher than the mid-market exchange rate, constitutes a "currency conversion cost" to the customer. In addition, the rules only apply for intra-EU payments, so any cross-border payments outside of the EU, which include most remittance corridors, are out of scope.

Customer experience

As evidenced by the market practice examples, most providers have continued to hide fees in inflated exchange rates for intra-EU transfers. This indicated that CBPR2 has not had the desired effect and consumers and businesses still don't get full transparency over the fees they pay.

Furthermore, each bank has a different way of communicating the exchange rate they use (if at all). This results in unnecessary complexity for consumers, who don't know how much they're overpaying for a money transfer. There are several ways in which European banks currently hide the exchange rate mark-ups or fees charged to consumers. The most common ones include:

- Showing no exchange rate information at all, making it difficult for consumers to compare exchange rate information without doing calculations themselves;
- Inflating their own exchange rate by adding an undisclosed mark-up without telling the consumer that what they're getting isn't the real exchange rate (presenting their own exchange rate as 'the' exchange rate). Occasionally stating that the transaction is for free;
- Hiding fees behind tooltips or linking consumers to separate websites or burying fees in long documents.

Ongoing policy developments

In June 2023, the European Commission presented revisions to PSD2, now encompassing two legislative acts - a [Third Payment Services Directive \(PSD3\)](#) and a [Payment Services Regulation \(PSR\)](#). In the Commission's [Impact Assessment](#) on PSD2, it emphasised that costs related to currency conversion are an important share of total costs and that without full transparency, it is hard for consumers to compare charges of different providers and to make an informed decision, leading to choosing a provider that may not be the best for them. The Commission also recognises the goals of the G20 roadmap in this regard and the need to make progress towards them.

EU payment providers' cross-border payment hidden fees based on customer payment journey data collected in January 2023 - February 2024

Provider	Exchange rate markup/hidden fee	Transparency rating
Swedbank (Estonia)	4.5%	●
Swedbank (Lithuania)	2.7%	●
SEB (Estonia)	2.96%	●
SEB (Lithuania)	2.81%	●
Santander (Spain)	3.1%	●
BBVA (Spain)	3.4%	●
K&H (Hungary)	2.37%	●
OTP Bank (Hungary)	1.06%	●
Bank Polski (Poland)	3.93%	●
mBank (Poland)	2.8%	●
HSBC (France)	3.78%	●
ING (Belgium)	3.3%	●

This information has been collected from each of the featured providers, by following their money transfer flows. This is a one-off snapshot from the provider's payment journey at a specific point in time. These payment flows are subject to change. The exchange rate markups may fluctuate.

Consequently, the proposal for a PSR includes improved information requirements and a clear obligation to inform the consumer about the estimated charges for currency conversion up-front, including any foreign exchange rate mark-ups based on a reference exchange rate. The new rules bring all credit transfers and money remittance transactions into scope, extending previous price transparency rules from intra-EU transactions only to all transactions within the EU and from the EU to third countries, encompassing all outgoing remittances.

The reference exchange rate against which exchange rate mark-ups would have to be calculated and disclosed in the current legislative proposals are the European Central Bank (ECB) foreign exchange reference rates (ECBRRs) for transactions in euro or relevant Central Bank rates for other currencies. It is important to note that the ECB in its [opinion](#) on the PSD3/PSR strongly discourages using the ECBRRs for reference purposes, as this could create incentives for some market participants to trade at these rates. Furthermore, the ECBRRs are stale rates, updated only once per working day.

The European Parliament in its [position](#) agrees with the ECB's view, asking for the PSR to include a more appropriate reference to a foreign exchange benchmark rate that falls within the scope of the EU's Benchmark Regulation (i.e., a mid-market benchmark rate) and which may be used in the context of currency conversion charges.

The legislative negotiations on the PSR are still ongoing at the time of publication. As the rules within the PSR will be directly applicable, it will become part of the 27 EU Member State national law after its entry into force once adopted by the co-legislators.

Scorecard

4/5

Authorities are actively exploring new action/rules on price transparency to strengthen end user understanding and force all financial service providers to disclose all cross-border payment fees, including FX markups.



EUROPEAN UNION

FRANCE



Direct Access



Existing framework & access

France was a vocal supporter of the reforms undertaken at the EU level to amend the Settlement Finality Directive (SFD) via the Instant Payments Regulation (IPR), adopted in 2024.

From the 9th of April 2025, all EU Member States, including France, need to have introduced the necessary amendments to their national rules to ensure NBPSPs can access the local payment systems. In France, the payment system CORE is operated by Systèmes Technologiques d'Échange et de Traitement (STET), which is owned by the 6 major banks in France. Once the amended SFD is officially transposed, NBPSPs will be able to obtain a settlement account with the Banque de France or any other EU central bank.

Ongoing policy developments

A harmonised access framework was recently published by the Eurosystem, which comprises the European Central Bank (ECB) and the national central banks of the eurozone. This was to ensure that the whole eurozone adopts the same criteria. The policy leaves a lot of power to Member States to ensure they can put their own tests and technical requirements forward. It is currently unclear how France will look to implement the policy and what the application looks like. This will become clear once France has transposed the amendments to PSD2 into national law and the Banque de France has been able to decide how best to assess the three criteria required (safeguarding, internal controls and wind-up plan).

Scorecard

4/5

Authorities are actively exploring widening direct access to domestic payment systems to include NBPSPs.

Price Transparency



Existing framework & regulations

The EU's Second Payment Services Directive (PSD2), transposed in French law under the Monetary and Financial Code, entered into force in January 2018. However, the language in the Directive isn't sufficiently robust to ensure price transparency is implemented in practice by industry.

As a result, in France, industry practice was to hide any FX margins and claim low or no upfront fees for money transfers. In 2018, the French consumer organisation [UFC - Que Choisir filed a complaint](#) against money transfer providers Moneygram and Western Union for their "misleading commercial practices". According to UFC - Que Choisir, Moneygram and Western Union fail to disclose the fees they charge in the exchange rate, which represent more than a quarter of the total cost, costing French consumers €110 million euro in exchange rate markups in 2017. It called on legislators to ban these hidden fees, which harm fair competition. To date, the French Government has not acted on these recommendations independently.

The EU's Cross-Border Payments Regulation 2 (CBPR2), which is legally binding and does not require national transposition, is the main regulatory vehicle through which transparency in cross-border payments was to be achieved for payments within the EU and, consequently, in France. In France, the Autorité de Contrôle Prudentiel et de Résolution (ACPR) alongside the Banque de France, oversee compliance with the PSD2 and CBPR2.

Customer experience

As evidenced by the market practice examples, most providers have continued to hide fees in inflated exchange rates for intra-EU transfers. The user experience tends to be identical for intra-EU transfers as for payments from France to third countries. This indicated that CBPR2 has not had the desired effect and consumers and businesses still don't get full transparency over the fees they pay.

Providers hide fees by presenting their own exchange rates as 'the' exchange rate, without communicating the mark-up as an extra cost and stating that there are either only upfront fixed fees or that the transaction is for free.

Interestingly, contrary to its practices in the UK, HSBC communicates their exchange rate mark-up as an extra cost (expressed as a "currency conversion fee"), marking it separately from the upfront transaction fee, making them transparent in France and not in the UK.

French payment providers' cross-border payment hidden fees based on customer payment journey data collected in July 2023

Provider	Exchange rate markup/hidden fee	Transparency rating
Boursorama	2.26%	●
Crédit Mutuel	1.13%	●
HSBC	3.78%	●

This information has been collected from each of the featured providers, by following their money transfer flows. This is a one-off snapshot from the provider's payment journey at a specific point in time. These payment flows are subject to change. The exchange rate markups may fluctuate.

Ongoing policy developments

In June 2023, the European Commission presented revisions to the PSD2, now encompassing two legislative acts - a Third Payment Services Directive (PSD3) and a Payment Services Regulation (PSR).

The legislative negotiations on the PSR are still ongoing at the time of writing. As the rules within the PSR will be directly applicable, it will become part of the French national law after its entry into force.

Scorecard

4/5

Authorities are actively exploring new action/rules on price transparency to strengthen end user understanding and force all financial service providers to disclose all cross-border payment fees, including FX markups.



EUROPEAN UNION

GERMANY



Direct Access



Existing framework & access

Germany was supportive of the reforms undertaken at the EU level to amend the Settlement Finality Directive (SFD) via the Instant Payments Regulation (IPR), adopted in 2024.

From 9 April 2025, all EU Member States, including Germany, need to have introduced the necessary amendments to their national rules to ensure NBPSPs can access the local payment systems. In Germany, this means that NBPSPs could join TARGET-Bundesbank to be able to facilitate SEPA (instant) credit transfers.

Once the amended SFD is officially transposed, NBPSPs will be able to obtain a settlement account with the Bundesbank or any other EU central bank.

Ongoing policy developments

A harmonised access framework was recently published by the Eurosystem, which comprises the European Central Bank (ECB) and the national central banks of the eurozone. This was to ensure that the whole eurozone adopts the same criteria. The policy leaves a lot of power to Member States to ensure they can put their own tests and technical requirements forward. It is currently unclear how Germany will look to implement the policy and what the application looks like.

Scorecard

4/5

Authorities are actively exploring widening direct access to domestic payment systems to include NBPSPs.

Price Transparency



Existing framework & regulations

The PSD2 was transposed into German national law through the [Zahlungsdiensteaufsichtsgesetz \(ZAG\)](#), entering into force in January 2018. However, the language in the Directive isn't sufficiently robust to ensure price transparency is implemented in practice by industry. Following this, the EU's Cross-Border Payments Regulation 2 (CBPR2), which is legally binding and does not require national transposition, is the main regulatory vehicle through which transparency in cross-border payments was to be achieved for payments within the EU and, consequently, in Germany.

German industry practice has largely been to hide any FX margins and claim low or no upfront fees for money transfers. Neither regulators, nor consumer organisations have taken up cases against payment service providers hiding fees in inflated exchange rates. The Federal Financial Supervisory Authority (BaFin) has been tasked with overseeing compliance and providing guidelines for implementing PSD2 and CBPR2 provisions.

Customer experience

As evidenced by the market practice examples, most providers have continued to hide fees in inflated exchange rates for intra-EU transfers. This indicates that CBPR2 has not had the desired effect and consumers and businesses still don't get full transparency over the fees they pay.

Providers hide fees by showing no exchange rate information at all, claiming zero transaction fees or by hiding transaction fees or exchange rates on a separate page that the customers have to click on and then calculate any exchange rate mark-ups themselves. In another case, they present their own exchange rates as 'the' exchange rate, without communicating the mark-up as an extra cost and stating that there are either only upfront fixed fees or that the transaction is for free.

Similarly to other EU countries, ING communicates their exchange rate mark-up as an extra cost (expressed as a "currency conversion fee"), marking it separately from the upfront transaction fee, making them transparent in Germany.

German payment providers' cross-border payment hidden fees based on customer payment journey data collected in July 2023

Provider	Exchange rate markup/hidden fee	Transparency rating
Commerzbank	3.27%	●
Targo Bank	0.4%	●
ING	1.12%	●

This information has been collected from each of the featured providers, by following their money transfer flows. This is a one-off snapshot from the provider's payment journey at a specific point in time. These payment flows are subject to change. The exchange rate markups may fluctuate.

Ongoing policy developments

In June 2023, the European Commission presented revisions to the PSD2, now encompassing two legislative acts - a Third Payment Services Directive (PSD3) and a Payment Services Regulation (PSR).

The legislative negotiations on the PSR are still ongoing at the time of publication. As the rules within the PSR will be directly applicable, it will become part of the German national law after its entry into force.

Scorecard

4/5

Authorities are actively exploring new action/rules on price transparency to strengthen end user understanding and force all financial service providers to disclose all cross-border payment fees, including FX markups.



EUROPEAN UNION ITALY



Direct Access



Existing framework & access

Italy was supportive of the reforms undertaken at the EU level to amend the Settlement Finality Directive (SFD) via the Instant Payments Regulation (IPR), adopted in 2024.

From the 9 April 2025, all EU Member States, including Italy, need to have introduced the necessary amendments to their national rules to ensure NBPSPs can access the local payment systems. The Banca d'Italia supervises the domestic component of T2 (TARGET2-Banca d'Italia).

Once the amended SFD is officially transposed, NBPSPs will be able to obtain a settlement account with the Banca d'Italia or any other EU central bank.

Ongoing policy developments

A harmonised access framework was recently published by the Eurosystem, which comprises the European Central Bank (ECB) and the national central banks of the eurozone. This was to ensure that the whole eurozone adopts the same criteria. The policy leaves a lot of power to Member States to ensure they can put their own tests and technical requirements forward. It is currently unclear how Italy will look to implement the policy and what the application looks like.

Scorecard

4/5

Authorities are actively exploring widening direct access to domestic payment systems to include NBPSPs.

Price Transparency



Existing framework & regulations

The PSD2 was transposed into Italian national law through the [Legislative Decree No. 218/2017](#), coming into force in January 2018. However, the language in the Directive isn't sufficiently robust to ensure price transparency is implemented in practice by industry. Following this, the EU's Cross-Border Payments Regulation 2 (CBPR2), which is legally binding and does not require national transposition, is the main regulatory vehicle through which transparency in cross-border payments was to be achieved for payments within the EU and, consequently, in Italy. While some Italian banks may offer competitive exchange rates, the combination of very high upfront fees, untransparent FX fees and potential delays can detract from the overall customer experience, making it a less attractive option for international money transfers.

In 2009, the Italian Government alongside various international and national partners launched a website "[Mandasoldiacasa.it](#)". The aim of the portal is to provide comparative information on the costs of sending remittances with the aim of ensuring greater transparency, clarity of information and encouraging market participants to improve the products and services offered to migrants. Crucially, it explains in great detail the different elements that make up the cost of remittances, including the so-called "exchange rate spread" (FX margins). According to the portal *"the fact that the operator sending your remittance uses a different exchange rate from the official one is obviously a cost you pay for using the service. Each intermediary applies a daily rate of his own. Unfortunately, this cost component is hard to calculate and check. To do so, you have to know both the official exchange rate and the one applied by the intermediary and then calculate the difference (this is called the "spread"). This information is not always easy to find and is not always declared openly."*

The 18 selected corridors for Manda Soldi a Casa represented 64% of the overall remittance flows from Italy in 2020. The collected data also allows the Centre

for International Political Studies (CeSPI) to publish [periodical reports](#), monitoring the progress of different cost components for sending remittances.

In addition to this, in May 2022, the Bank of Italy published a [calculator](#) to clarify "the cost of the remittances" on its financial education [website](#) "Economia per tutti". The website aims to educate people about the various cost components of an international transaction, including exchange rate margins, and the calculator allows to compute how much the beneficiary will receive in their country of origin and the overall cost of the transaction.

Despite these initiatives, exchange rate margins continue to be an important factor contributing to high remittance costs. Neither regulators, nor consumer organisations have taken up cases against payment service providers hiding fees in inflated exchange rates.

Customer experience

Sending money abroad in a foreign currency from an Italian bank account can often be a frustrating experience due to the high upfront fees that are typically applied. These fees are often fixed and are not proportionate to the transfer amount, which makes sending smaller sums of money particularly expensive. Additionally, when transferring euros to other foreign euro accounts, the process is not always seamless. The transfer can be delayed by one or more days, as the actual transaction is often executed on the morning of the following business day.

The [2023 GPMI review of the G20 National Remittance Plan for Italy](#) highlighted that most MTOs and banks provide no information regarding the exchange rate margin and only a few operators communicate the maximum percentage spread on the exchange rate applied to the remittance sending service.

As also evidenced by the market practice examples, most providers continue to hide fees in inflated exchange rates for intra-EU transfers, indicating that

Italian payment providers' cross-border payment hidden fees based on customer payment journey data collected in September 2024

Provider	Exchange rate markup/hidden fee	Transparency rating
Banco BPM	0.35%	●
Western Union	0.7%	●
Moneygram	6.93%	●

This information has been collected from each of the featured providers, by following their money transfer flows. This is a one-off snapshot from the provider's payment journey at a specific point in time. These payment flows are subject to change. The exchange rate markups may fluctuate.

CBPR2 has not had the desired effect and consumers and businesses still don't get full transparency of the fees they pay. For example, providers hide fees by showing the exchange rate information only after a transfer is executed and not prior. In other cases, they present their own exchange rates as 'the' exchange rate, without communicating the mark-up as an extra cost while claiming low or even zero transaction fees. While some Italian banks may offer competitive exchange rates, the combination of high and untransparent fees and potential delays can detract from the overall customer experience, making it a less attractive option for international money transfers.

Scorecard

4/5

Authorities are actively exploring new action/rules on price transparency to strengthen end user understanding and force all financial service providers to disclose all cross-border payment fees, including FX markups.

Ongoing policy developments

In June 2023, the European Commission presented revisions to the PSD2, now encompassing two legislative acts - a Third Payment Services Directive (PSD3) and a Payment Services Regulation (PSR). The legislative negotiations on the PSR are still ongoing at the time of publication. As the rules within the PSR will be directly applicable, it will become part of the Italian national law after its entry into force.

G20 Roadmap for Enhancing Cross Border Payments

Scorecard report on direct access
and price transparency

November 2024

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