

# From transactions to trust



## Unlocking loyalty with embedded cross-border payments

With outbound money flows from the United States exceeding \$200 billion annually,<sup>1</sup> financial institutions (FIs) have a major opportunity to turn cross-border transactions into key customer retention and revenue growth drivers. To seize this opportunity, it's essential to clarify terms often used inconsistently across the industry.

Remittances typically refer to small, frequent transfers made by individuals to family or friends abroad. These are usually motivated by personal or familial needs and are subject to specific consumer protection regulations.

By contrast, cross-border payments encompass a broader spectrum of transactions involving both individuals and businesses. They often require currency conversion and must comply with more complex regulatory frameworks.

As globalization and migration increase demand, FIs must evolve to meet their customers' changing needs and maintain account primacy by keeping services like cross-border payments within their ecosystem. This guide explores how FIs can leverage embedded cross-border payment solutions to enhance customer loyalty, unlock new revenue streams, and maintain a competitive edge in a rapidly changing financial landscape. By integrating seamless, digital-first payment experiences, FIs can transform routine transactions into opportunities for deeper engagement, fostering trust and building lasting relationships that transcend borders.

# The state of cross-border payments

## Market growth

The cross-border remittance market is experiencing unprecedented growth, fueled by globalization, increased migration, and the rise of digital financial services. Over 75 percent of outbound remittances are sent to just 10 recipient countries, with the United States playing a significant role in sending money to these top destinations, highlighting the scale of this opportunity.

This growth is not a fleeting trend but a structural shift, as families, businesses, and communities increasingly rely on cross-border payments to support loved ones, fund ventures, and drive economic activity. For FIs, this presents a strategic imperative to position themselves as the central hub of their account holders' financial lives, capturing both transaction volume and protecting core deposits by retaining primary account status.

## Customer behavior

Despite 70% of customers trusting banks over fintechs, as noted in the [Capgemini World Payments Report](#),<sup>2</sup> many account holders are turning to third-party remitters for cross-border payments. The primary drivers behind this shift are convenience, speed, and transparency, which fintechs have prioritized in their digital offerings. Account holders increasingly seek faster and more intuitive solutions, revealing a critical gap in traditional banking services where outdated systems and processes often fall short of modern expectations. As a result, FIs risk losing market share if they fail to adapt to these evolving preferences, as account holders gravitate toward providers offering superior digital experiences.

## Lost opportunities

When account holders use third-party remitters for cross-border payments, FIs lose more than just transaction fees. They miss valuable opportunities to strengthen relationships, build trust, and offer additional financial products. Each missed interaction erodes engagement and reduces the likelihood of long-term loyalty.

This challenge is especially important with younger customers: Over half of Gen Z and millennials cite modern digital tools as their top priority when choosing an FI, and 80% say digital banking is central to their overall experience.<sup>3</sup> As fintechs continue to innovate and capture market share, FIs face a dual threat: shrinking revenue and declining relevance in their customers' financial lives.

To stay competitive, FIs must focus on delivering seamless, embedded payment solutions that keep customers within their ecosystem. Every transfer completed outside the FI is a missed touchpoint and a moment when deposits and the primary banking relationship are at risk.

## Cross-border is booming

**\$800B+**  
Global remittances

**\$200B**  
US outbound annually

**75%+**  
Top 10 countries total volume

Source: KNOMAD/World Bank Remittance Matrix

# Benefits of embedded cross-border payments

Embedding cross-border payment capabilities directly into an FI's digital platform offers a transformative opportunity to drive growth and strengthen account holder relationships. Research from [McKinsey's Global Payments Report](#)<sup>4</sup> underscores the multifaceted benefits of such solutions. Account holders using embedded payment services are more likely to remain loyal, reducing churn and preserving valuable deposits, which is key to protecting account primacy in a competitive market. This loyalty stems from the convenience and trust fostered by a seamless, branded experience that aligns with account holders' expectations for modern financial services.

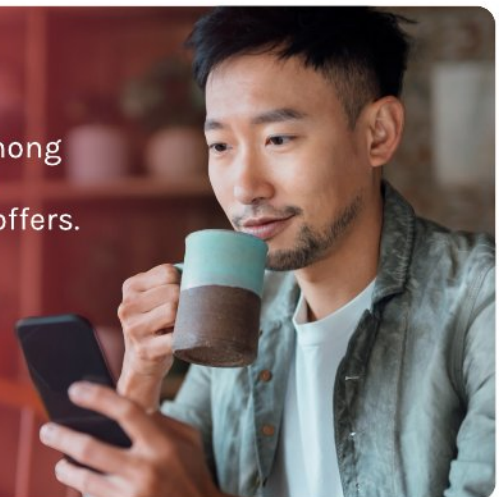
Moreover, cross-border payment users represent a prime opportunity for cross-selling. These customers are more inclined to adopt additional financial products, such as loans, savings accounts, or investment vehicles, as their engagement with the FI deepens. According to [J.D. Power's 2025 Retail Bank Customer Satisfaction Report](#),<sup>5</sup> customers who are aware of their bank's additional products and tools report satisfaction scores that are 96 points higher, on average, than those who are not, highlighting the value of visibility and engagement when it comes to deepening relationships. By offering a robust cross-border payment solution, FIs can position themselves as a one-stop shop for their account holders' financial needs, driving product adoption and increasing share of wallet.

From a revenue perspective, embedded cross-border payments unlock new income streams through foreign exchange (FX) margins and transaction fees. These fees provide a direct financial benefit while creating opportunities for FIs to reinvest in further innovation. Most importantly, integrated digital experiences develop habits that foster long-term relationships. When account holders rely on an FI's platform for their cross-border needs, they are more likely to maintain it as their primary financial relationship, deepening engagement, increasing deposits, and reinforcing the FI's central role in their financial lives.

**Account holders using embedded payment services are more likely to remain loyal, reducing churn and preserving valuable deposits.**

**+96** POINTS

That's the average satisfaction boost among customers who know what else their bank offers.



# Understanding customer expectations

## Emotional context

Cross-border payments are deeply personal, often serving as lifelines that connect families and communities across the globe. Consider Olivia, who uses third-party remitters to send money to her aunt in the Dominican Republic, ensuring her family's well-being. Similarly, Carlos visits a retail location to transmit funds to his parents in Guatemala, supporting their daily needs. Both are doing their part, but their experiences are fragmented. They rely on separate platforms that complicate their financial lives, disrupt trust, and pull engagement away from their primary financial institution. This fragmentation represents a missed opportunity for FIs. When account holders turn to third-party apps or other institutions to complete essential financial tasks, banks and credit unions lose not only transaction volume but the emotional loyalty and daily relevance that come with it.

Financial institutions are in a unique position to change this. By embedding cross-border payment capabilities directly into their digital platforms, they can reclaim these high-value interactions and deliver a seamless experience that meets both emotional and functional needs. In doing so, FIs move from transactional service providers to trusted partners in their account holders' most important financial moments. This shift brings long-term loyalty, deepens relationships, and restores relevance in a rapidly evolving digital landscape.

## Key expectations

Today's account holders have clear expectations for cross-border payment services, shaped by the tech-enabled world they inhabit.

Speed is paramount, with **78% of account holders<sup>6</sup>** stating that instant payments are the most important feature FIs should implement in the next three years. Account holders demand that transfers be completed in minutes rather than days, leveraging modern payment rails for near-instantaneous delivery.

Payout flexibility is equally critical, as recipients require options such as bank accounts, mobile wallets, debit cards, or cash pickup to suit their preferences and circumstances.

Transparency is non-negotiable; customers expect transparent pricing with no hidden fees or mark-ups, ensuring they understand the full cost of their transactions.

Finally, the experience must be embedded, digital-first, and seamlessly integrated into the FI's platform without redirecting to third-party providers. Meeting these expectations is essential for FIs to retain account holders and compete with agile fintechs.

## What today's account holder expects in the cross-border payments experience

This isn't an optional decision for account holders. It's emotional. It's a lifeline.



Speed: Send in minutes – not days – via modern payment rails



Payout flexibility: Variety in the ways to receive



Transparency: No hidden mark-ups



Embedded experience: Digital-first with no redirects

# Challenges in implementing cross-border payments

Implementing cross-border payment solutions is not without its challenges, as FIs must navigate a complex landscape of technical, regulatory, and operational hurdles. On the technical side, legacy core systems and siloed technology teams often hinder rapid deployment, while competing priorities within IT departments can delay progress. These development barriers require significant investment in time and resources, diverting focus from other strategic initiatives.

Compliance presents another formidable challenge. Regulations such as Regulation E, the Bank Secrecy Act (BSA), Anti-Money Laundering (AML) requirements, and sanctions screening demand rigorous oversight. These high-risk, high-touch processes require specialized expertise to ensure compliance while maintaining operational efficiency. Failure to navigate these regulations effectively can result in costly penalties and reputational damage.

Operationally, cross-border payments introduce significant overhead, including program management, pricing strategies, treasury reconciliation, dispute resolution, and fraud monitoring. These tasks require dedicated resources and robust systems, which can strain smaller FIs or those with limited operational capacity. Together, these challenges underscore the need for strategic partnerships that can alleviate technical, regulatory, and operational burdens while accelerating time to market.

**Failure to navigate these regulations effectively can result in costly penalties and reputational damage.**

## Glossary of terms

**BSA/AML:** The Bank Secrecy Act and Anti-Money Laundering regulations govern financial compliance to prevent illicit activities.

**Reg E:** Regulation E is a consumer protection regulation overseeing electronic fund transfers.

**FX Margins:** Revenue generated from the spread between foreign exchange rates in cross-border transactions.

# Partnering for success

## Criteria for selecting a partner

To overcome the barriers to entry and deliver value to their account holders, FIs must carefully select partners that align with their strategic goals. An ideal partner offers accelerated go-to-market strategies, enabling rapid deployment of cross-border payment solutions without the need for extensive internal development. Compliance and fraud support are critical, as partners must provide tools and expertise to navigate complex regulatory landscapes while minimizing risk. Global reach and competitive economics are also essential, ensuring that FIs can serve various markets while maintaining profitability. Finally, the partner must deliver a digital-first, client-branded experience that seamlessly integrates with the FI's platform, preserving brand identity and enhancing account holder trust.



### How to select a partner that drives value to your institution

- ✓ Go-to-market partnership
- ✓ Support with compliance and fraud
- ✓ Digital-first experience focused on your account holders
- ✓ Accelerated rollout and deployment
- ✓ Global reach and economics

## CASE STUDY

### PayMitto

PayMitto exemplifies the qualities of an ideal partner for FIs seeking to enter the cross-border payments space. PayMitto offers a fully embedded, client-branded digital experience, keeping a consistent and engaging journey for the account holder. Built-in compliance tools streamline adherence to regulations such as Reg E, BSA/AML, and sanctions screening, reducing risk and operational complexity.

The platform is designed to grow with your institution, making adopting new features and capabilities easy through SDK or API updates. An operations portal simplifies program management, providing FIs with a user-friendly interface to oversee transactions, pricing, and reconciliation. PayMitto supports four payout methods, including bank accounts, debit cards, mobile wallets, and cash pickup, offering the flexibility that account holders demand.

# Why PayMitto stands out

PayMitto shines as a trusted partner for FIs by bringing over 15 years of experience in domestic and international payments. Its global reach is unparalleled, serving over 90% of the world's population across 160 currencies and over 195 countries. This unmatched global footprint empowers FIs to confidently serve diverse account holders sending money worldwide while maintaining control over brand, compliance, and customer experience.

PayMitto's delivery options are equally robust, offering push-to-bank account transfers, debit card payments, mobile wallet integrations, and access to over 500,000 cash pickup locations worldwide. This flexibility empowers recipients to access funds in the way that best suits their needs, enhancing the overall account holder experience. At its core, PayMitto's mission is to simplify the complexity of payment implementation, enabling FIs to focus on their account holders while PayMitto handles the technical and operational heavy lifting.

## Conclusion

Embedded cross-border payments represent an essential business priority for financial institutions seeking to remain competitive in a digital-first world while protecting core deposits, deepening wallet share, and reinforcing account primacy. FIs can drive account holder retention, unlock new revenue streams, and foster cross-selling opportunities by meeting account holder expectations for speed, flexibility, transparency, and seamless integration. However, implementation complexities, including technical, regulatory, and operational, require strategic partnerships to ensure success.

Solutions like PayMitto empower FIs to overcome these challenges, delivering world-class cross-border payment experiences that build trust and loyalty. As the global economy evolves, FIs that embrace embedded payments will position themselves as trusted partners in their account holders' financial lives, shaping a future where financial connectivity knows no borders. By partnering with PayMitto, FIs can unlock global growth and transform transactions into meaningful connections.



## Why financial institutions choose PayMitto

- ✓ A fully embedded, client-branded digital experience
- ✓ Built-in compliance tools
- ✓ Dynamic solutions that inherit new feature benefits as we build
- ✓ PayMitto-hosted operations portal
- ✓ Full corridor and program management
- ✓ Four payout methods
- ✓ Go to market in ~90 days

# Appendix

## Additional data and sources

The data presented in this whitepaper draws on authoritative sources to provide a comprehensive view of the cross-border payments landscape:

1. [KNOMAD/World Bank Remittance Matrix](#): Provides detailed insights into global remittance flows and country-specific data, highlighting the \$200 billion U.S. outbound market.
2. [Capgemini World Payments Report](#): Offers analysis of consumer trust and behavior in financial services, including the 70% trust advantage of banks over fintechs.
3. [PYMNTS April 2025 Credit Union Tracker® Series](#): More than half of Gen Z and millennial consumers rank modern digital tools as their main requirement when picking a financial institution, while 80% say digital banking is key to their experience.
4. [McKinsey's Global Payments Report](#): Provides insights into the benefits of embedded payments, including improved retention and cross-selling opportunities.
5. [J.D. Power Press Release](#): According to J.D. Power's 2025 Retail Bank Customer Satisfaction Report, customers who are aware of their bank's additional products and tools have overall satisfaction scores that are 96 points higher, on average, than those who are not.
6. [EPAM Consumer Banking Report 2025](#): Offers key insights into how banks can plan their digital innovation roadmap, highlighting that 78% of account holders believe that instant payments are the most important feature for banks and FIs in the next three years.

## CONTACT INFORMATION

Cross-border growth is within your reach when you have the right partner. PayMitto helps you embed international payments, strengthen account holder loyalty, and unlock new revenue opportunities. Visit [paymitto.com](https://paymitto.com) or [schedule a demo](#) of PayMitto's solution with a member of our team.

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