



# Unlocking the future: banking on cross-border payment habits

Consumers' cross-border payment habits are in flux: People are testing out multiple payment methods, but are still looking for better options. Now's the time for banks and fintechs to listen to what they want, so they can become their go-to provider of choice.

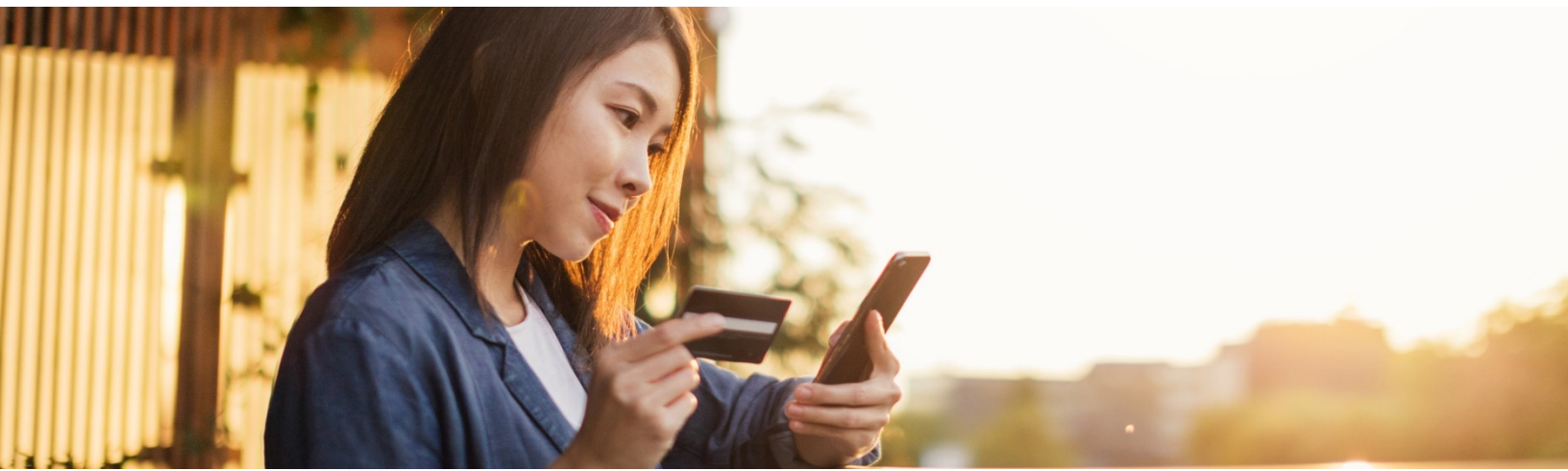
NOVEMBER 2024



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# Introduction



The cross-border payment market is experiencing explosive growth, fueled by a surge in international travel, ecommerce, and remittances. Consumers are spending more regularly cross-border than ever before and these payments are predicted to reach \$250 trillion by 2027.<sup>1</sup>

We surveyed 6,500 consumers and found out more about their cross-border payment habits. This report reveals how they're spending, where they're spending and what they're spending on. We also asked what methods they're using to make these transactions. You might think you understand your consumers' cross-border behavior, but with 77% telling us they use multiple methods you could be in the dark about their real needs.

Most consumers haven't found a way that works for them yet. But we found 66% are actively seeking that 'go-to' provider. They want more information, more choice and more simplicity. They want cross-border payments to be as easy and routine as paying a friend. And they need it to be secure, speedy and reliable.

Now's the time for banks and fintechs to step up. Create industry-leading cross-border payment solutions that customers will want to use again and again. Become the provider they turn to out of habit. Otherwise, there are plenty of other options out there for them to choose from.



6,500

respondents who  
have made cross-border  
transactions in the  
past 12 months



13 countries



77%

made a cross-border  
payment in the  
past 12 months



Unless noted otherwise, any reference to a comparison, observation, statistic or opinion that we make is based on Visa Direct's 2024 'Unlocking the future: banking on cross-border payment habits' report. All other sources and references used can be found at the end of the report.

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# Executive summary

## Consumers worldwide are embracing cross-border payments

Consumers are spending more on cross-border transactions than ever before, but what's really interesting is the frequency. 30% make weekly cross-border ecommerce purchases, 45% send or receive remittances monthly and 66% travel abroad annually.



### Transactions are regular

- 67% make monthly ecommerce purchases
- 52% travel more than once a year
- 45% send/receive remittances monthly



### No favorite way to pay

Only 16% use a default payment method



### Simplified decisions

66% want to stick with one payment method, and 71% want guidance on the best option



### Trust is key

Security is the number one factor

But consumers don't yet have a 'favorite way to pay'. Consumers are using an average of four out of seven different methods, with only 16% using a default payment method.

Most of us form habits to make routine decision-making easier and quicker, but we found that for cross-border payments this hasn't yet happened. Although, 66% of consumers want to form habits and 71% want more guidance and education to better understand the best option. It seems no single provider offers what consumers need for cross-border payments, despite almost 80% using a traditional bank.

One thing consumers are clear on is they want a cross-border payment provider that is secure and trustworthy. 90% expect stringent fraud and security measures to be in place, with 75% of Gen Z having halted cross-border payments due to security concerns.

There's a huge opportunity here for banks and fintechs. Consumers currently have no loyalty and are using multiple providers to get what they need. What they want is more choice, clearer information, and a solution they can trust to be secure and reliable. Whoever cracks this has the chance to attract and retain a significant share of customers' cross-border payments.

# The cross-border market is large, and it's growing

A staggering 771 million people made cross-border transactions between June 2023 and June 2024.<sup>2</sup> Our research shows that this growth is being driven by three transaction categories: ecommerce, travel and remittance. It's clear that consumers are becoming more global in outlook, and with this, more comfortable making cross-border transactions.

 8 in 10

are making **ecommerce** cross-border purchases and **67% do so monthly**

The global b2c ecommerce market estimated growth is \$8.3 trillion by 2026 according to the 'Global Trends in B2C E-commerce & Innovations in Online Payments 2024' report.<sup>3</sup>

Now that it is easy to find what you need globally, it is time to make it easy to pay. Consumers seek easy-to-use and secure payment methods to finalize their purchase.

 2 in 3

are **traveling** abroad and **52% do so more than once a year**

According to 2024 travel trends, the top reason people travel is to rest and recharge,<sup>4</sup> so stress or worry about their purchases is the last thing travelers want.

They need a simple and safe payment method that allows them to enjoy their trip.

 4 in 10

are sending or receiving **remittances** and **45% do so monthly**

Despite geopolitical fragmentation, international migration continues to increase, with the market forecasted to exceed \$1 trillion by 2028. This demand is driving an increase in remittances sent and received to friends and family back home.<sup>5</sup>

Consumers are looking for a safe and reliable way to send and receive money.

The average consumer uses **4 of 7** of the main payment methods for cross-border transactions

-   
Digital payment services
-   
Credit or debit cards
-   
P2P services
-   
Bank or wire transfers
-   
Online money transfer services
-   
Prepaid travel cards
-   
Money orders

This report will explore the essential questions of cross-border ecommerce, travel and remittance transactions, looking at the experiences and opinions of the people who make them.

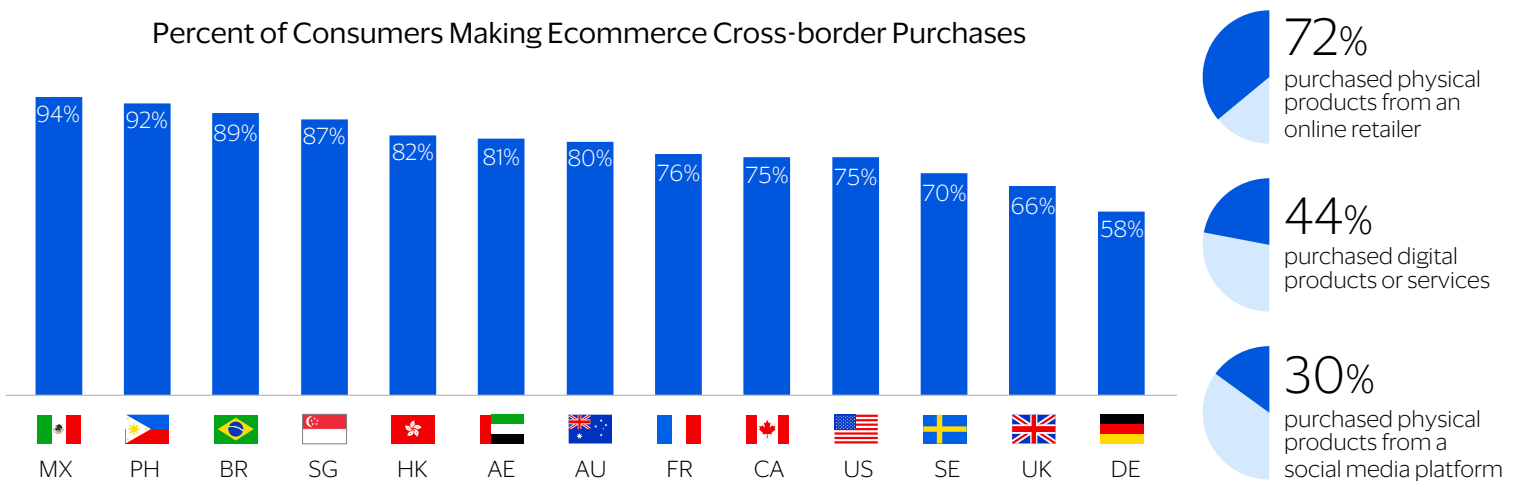


# Ecommerce

Approximately 589 million people made cross-border ecommerce transactions in the past year with 72% of these purchases being physical products on online retailers such as Amazon and eBay. Despite the rise of social media marketplaces, only 30% purchased through these platforms which could be due to known fears of data leaks.<sup>6</sup>

Yet there are still country variations. Consumers in Germany are least likely to make cross-border ecommerce purchases and more likely to use a digital payment service than a credit card when they do.

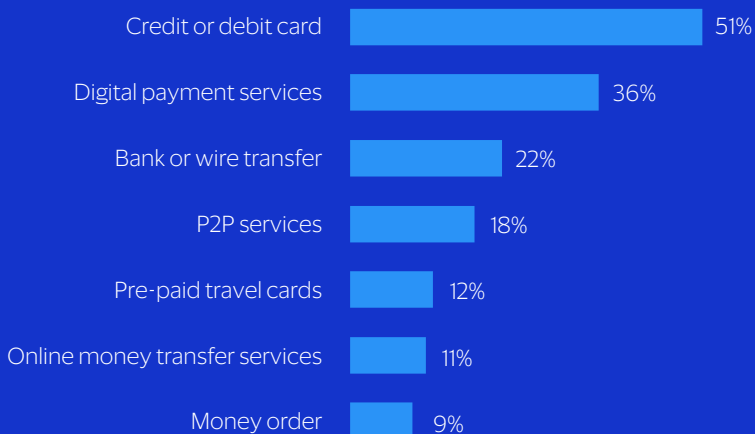
Percent of Consumers Making Ecommerce Cross-border Purchases



## Preferred ecommerce payment methods

Consumers are largely turning to credit or debit cards, or digital payment services (such as PayPal) to make cross-border ecommerce purchases. However, financial institutions may be surprised to see that only 51% of consumers will use their credit or debit card. There still is scope for other payment methods being used, including a significant 36% using digital payment services, followed by wire transfers and P2P services being often used too.

Payment Methods for Ecommerce



### Market Distinctions:



German consumers were amongst the least likely to use credit/debit cards with only 32% preferring this method. They ranked amongst the highest in using digital payment service (49%) and bank or wire transfers (35%). This is likely due to consumers preferring security and ease of use these provide as highlighted in the 'Western Europe Online Payment Methods 2022' report.<sup>7</sup>

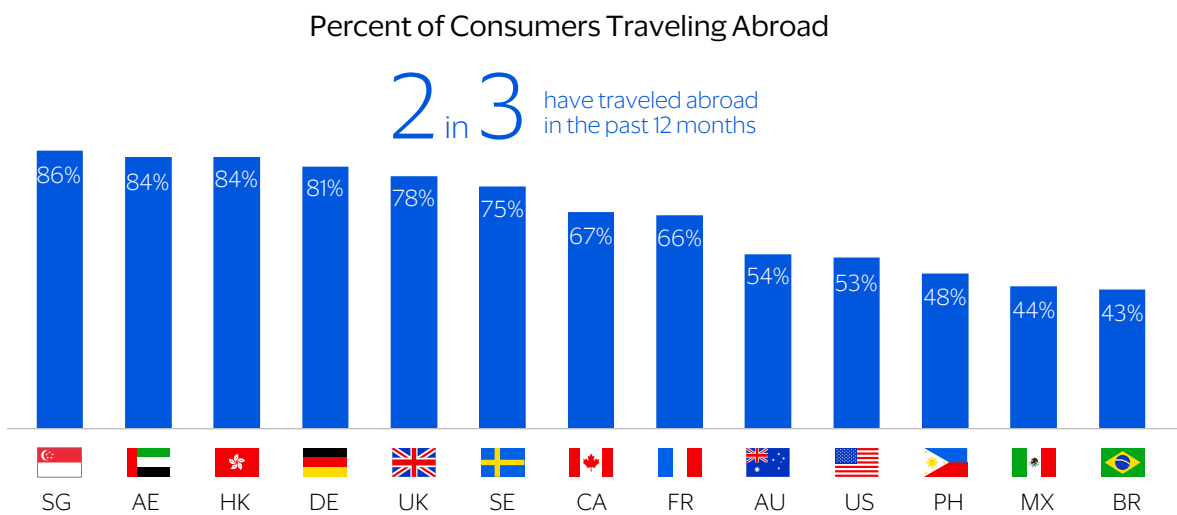


The preferred method for Filipino consumers was a digital payment method (49%). This is to be expected as 48.2% of the country's consumers lack access to a formal banking system.<sup>8</sup>

# Travel

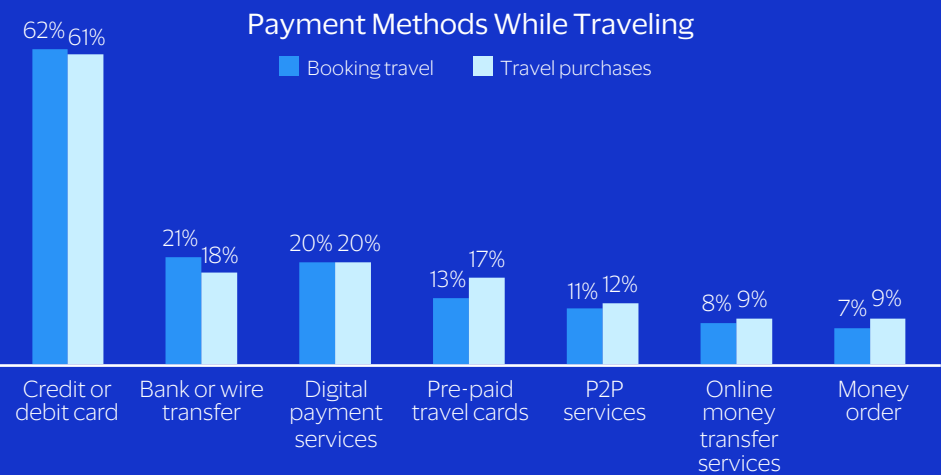
Two in three consumers surveyed have traveled abroad in the past year, with 62% saying they used a credit or debit card to book their trip, making it the most used payment method.

It's not just booking the trip but the payment methods they use when traveling abroad. Most respondents use the same method to pay for trip costs as they do for booking the trip. This is likely because cards are widely accepted and offer instant currency conversion and fraud protection. Traveling abroad is the norm again, with consumers in Singapore (86%) and the UAE (84%) being the most likely to travel abroad. Across the 13 markets, nearly 50% of respondents in each country traveled abroad in the last year.



## Preferred travel payment methods

Consumers are largely turning to credit or debit cards to book travel or make travel purchases. Though, notable minorities of consumers use bank/wire transfer or digital payment services, among other payment types.



### Market Distinctions:



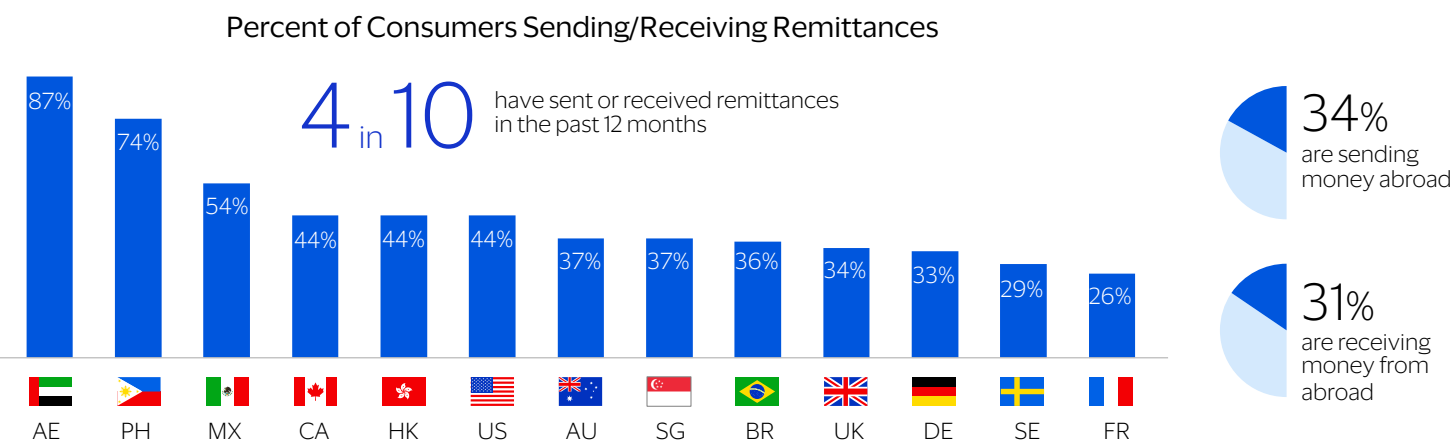
Travelers in Canada prefer credit or debit cards, with under 10% usage of other payment methods when compared to other markets. This could be due to Canadians favoring card rewards system, as the 'Canada and Payments 2024 trends' report showed that consumers valued rewards over speed of transactions.<sup>9</sup>



Brazilian travelers are amongst the least likely to use a credit card (under 50%), perhaps due to the historically high credit card interest rates and the adoption of Pix (instant payment platform created by the Central Bank of Brazil).<sup>10</sup>

# Remittance

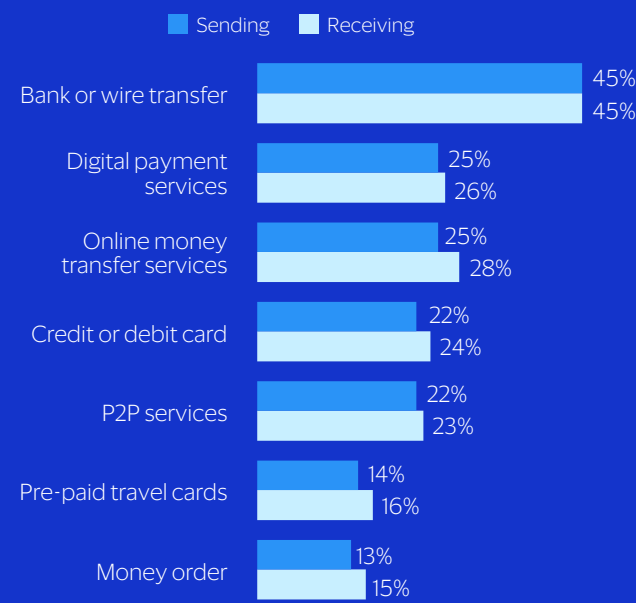
Four in ten of the people surveyed have sent or received remittances in the past 12 months, with bank or wire transfers being the most common payment method. It’s not surprising that countries with a high migrant workforce like the UAE and the Philippines rank the highest in sending or receiving remittances, at 87% and 74%, respectively. Remittance is a vital source of funding to millions of workers and families the world over: with senders looking to get the best value payment service they can with every transaction.<sup>5</sup>



## Preferred remittance methods

Payments differ substantially when sending or receiving remittances compared to the other types of transactions. Bank or wire transfers are the most common despite these types of methods taking longer and often being more costly for consumers.

### Payment Methods for Sending /Receiving Remittances



### Market Distinctions:



Unlike many other markets tested, America has the highest number of users of debit cards to send or receive remittances (35%). This could be due to the ease and convenience this method brings.<sup>11</sup>



The UAE is one market where consumers used banks /wire transfers equally for sending and receiving remittances (53%). Whilst consumers still tried other methods, there wasn't an equal split showing they felt this method is the most reliable for sending and receiving remittance.

# Cross-border payments are frequent

As we've seen in the research, cross-border transactions are made by many consumers, across all regions. But one area that may surprise many is just how frequently these cross-border purchases are being made. Despite the nuances that exist between different types of purchases and markets, on the whole, a significant percentage of consumers are making cross-border payments monthly, weekly or even more often.



Ecommerce



30%

are making cross-border ecommerce purchases **weekly** or more often



Travel



52%

say they are traveling abroad **more than once a year**



Remittance



14%

are sending or receiving remittance **weekly** or more often



67%

are making cross-border ecommerce purchases **monthly** or more often



13%

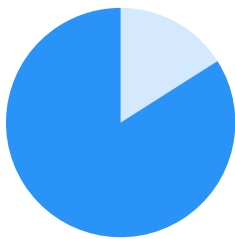
say they are traveling abroad **monthly or more**



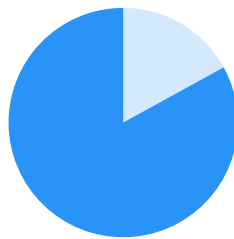
45%

are sending or receiving remittance **monthly** or more often

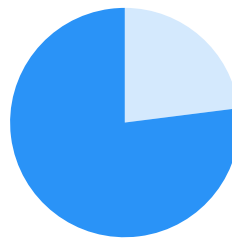
## Younger consumers are leading the charge, but not by much



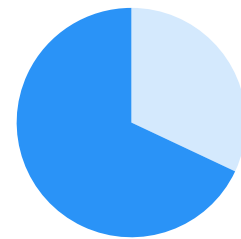
84%  
Gen Zers



83%  
Millennials



77%  
Gen Xers



68%  
Baby Boomers+

Most digital-native Gen Zers (84%) and Millennials (83%) have made cross-border transactions in the past month. But to overlook Gen X consumers would be unwise, as 77% said they'd made a cross-border transaction in the past month: this is a significant figure. And the Baby Boomers and older generations? Well, with 68% saying they have made a cross-border purchase in the past month, they're catching up – as well as buying goods and services, they are likely sending remittances to family abroad, paying for college fees, or buying property.



# Consumers' cross-border transaction behaviors are fluid right now

Right now, consumers are making cross-border transactions using many different apps and payment services. For ecommerce and international travel, over 50% used their credit or debit cards through their traditional banks, making it the most used payment method, but not the only one. Similarly, digital payment services are also popular, but other payment services make up a significant portion of the rest of the spending as well.

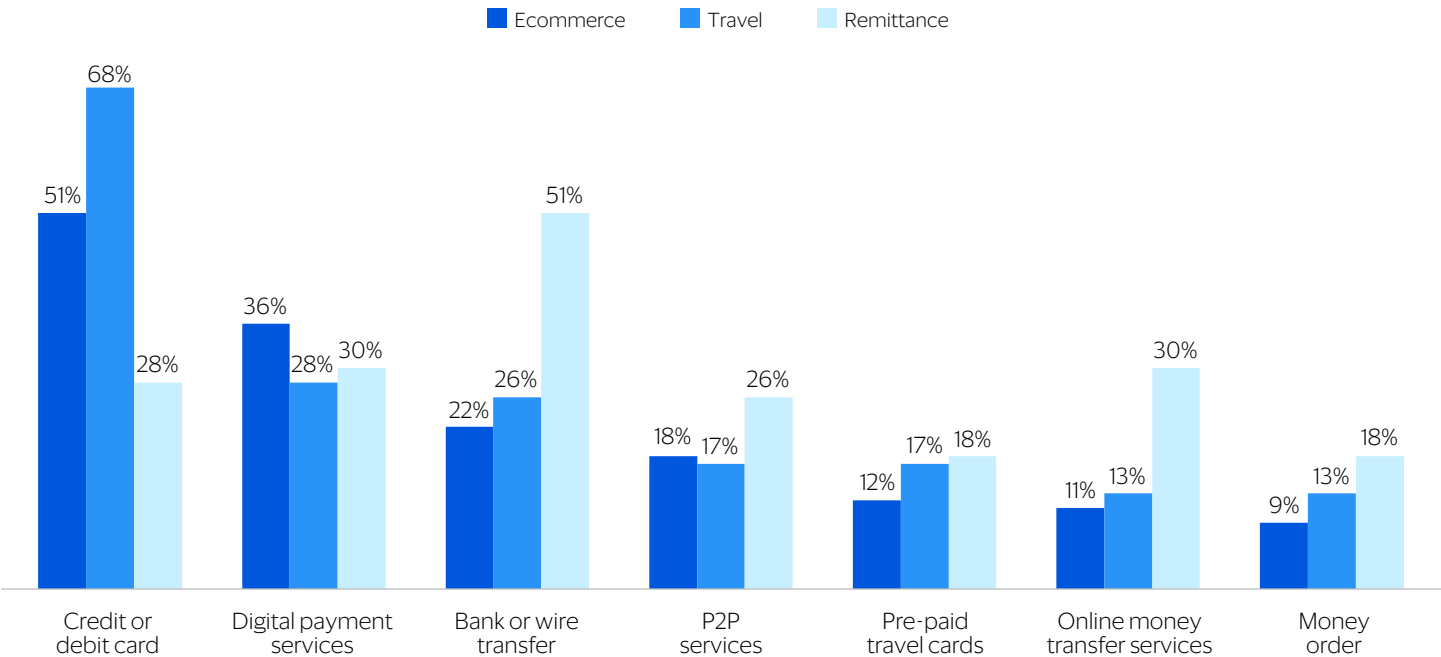
There is more diversity in the payment type consumers turn to when sending or receiving remittances. Bank or wire transfer and payment services are some of the most widely used, but many are also employing online money transfer services, credit or debit cards, and P2P services.

As more consumers engage in more cross-border transactions, it is essential to understand how they approach these transactions. This research shows that consumers don't yet have a clear preference when it comes to how they pay for their cross-border goods and services. This is the moment when consumers are developing habits around this type of financial behavior. Banks and fintechs have an opportunity to be the go-to option for consumers before their behavior and preferences are calcified.

“The way payments are made has changed more in the past five years than in the last 50.”

—Ryan McInerney, CEO, Visa.

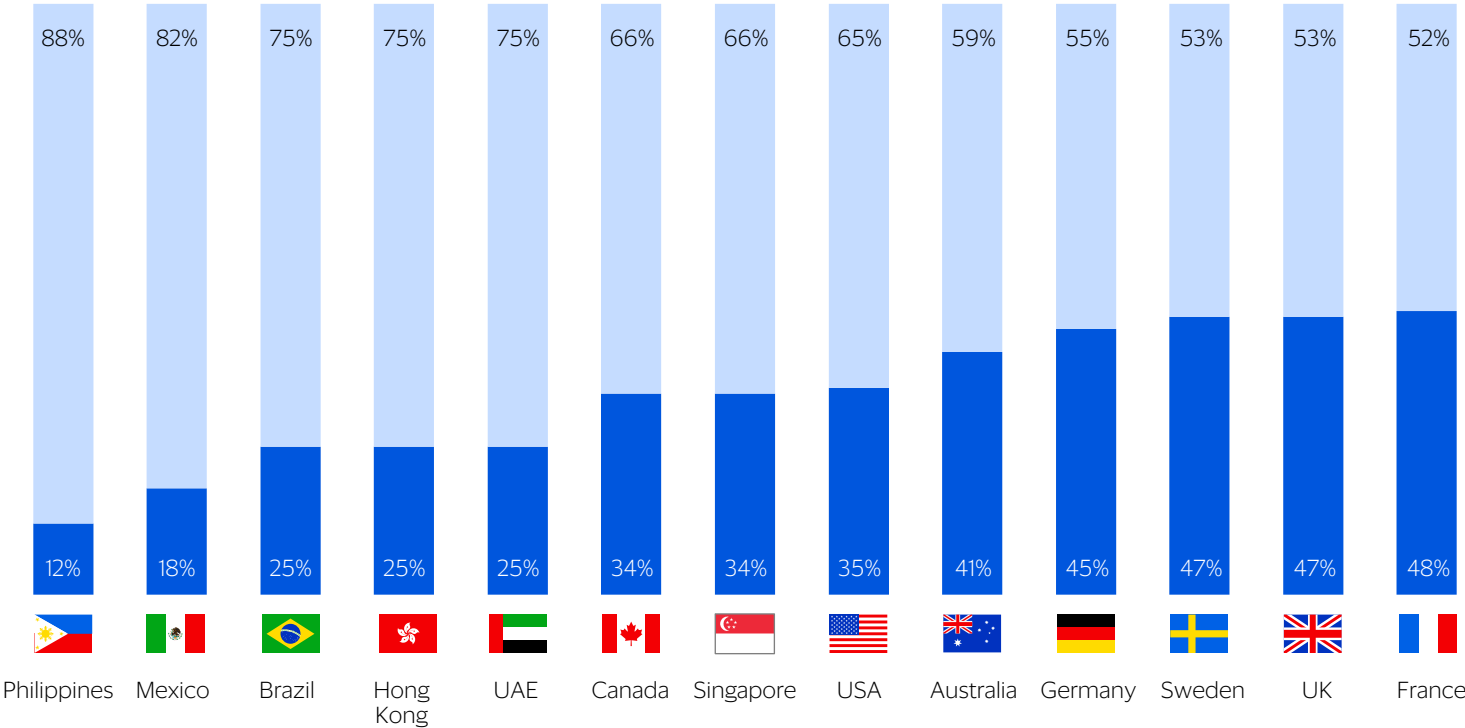
Payment Methods Used for Each Type of Transaction



# Consumers want to have options

Our research shows that consumers are looking for more choices when it comes to cross-border transactions. By a 2-to-1 margin, they say they'd prefer to have more options for how to make cross-border transactions. Across every region, the majority of consumers want more options when choosing their cross-border transaction provider — and are unhappy with what's currently available. Those who send or receive remittances are also more likely to value more options (76%). This is especially important to consumers in the Philippines (88%) and Mexico (82%). Even consumers in countries where there is already a wealth of options, Sweden (53%), United Kingdom (53%), and France (52%) say they would prefer to have more options.

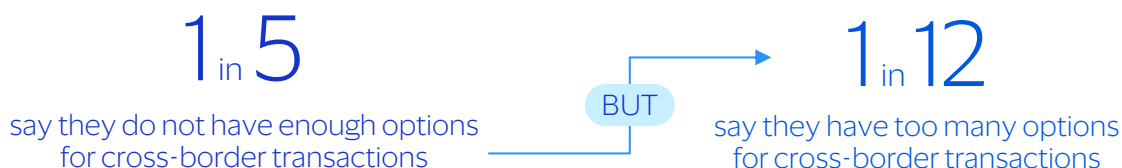
I Would Prefer Fewer/More Options for Cross-border Transactions:



# More choice? Less choice?

A substantial portion of consumers are not currently satisfied with the number of options available to them. One in five consumers say they do not currently have enough options for cross-border transactions.

In contrast, one in twelve consumers say they have too many options for their cross-border transactions. Yet they still seek guidance on the best option to use, and this can be a confusing and frustrating experience. People who have had a bad experience with cross-border transactions in the past are more likely to feel overwhelmed by the number of options.



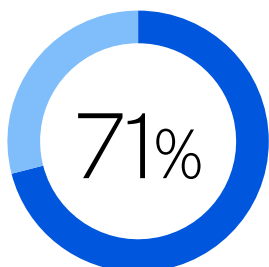
## Countries most likely to feel they have too few options:



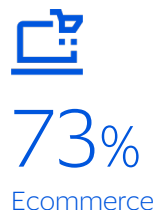
## Consumer groups most likely to feel they have too few options:



## Consumer segments more likely to feel overwhelmed:



agree they could use some guidance to better understand when to use different payment / transaction options



## Consumers want choice and help

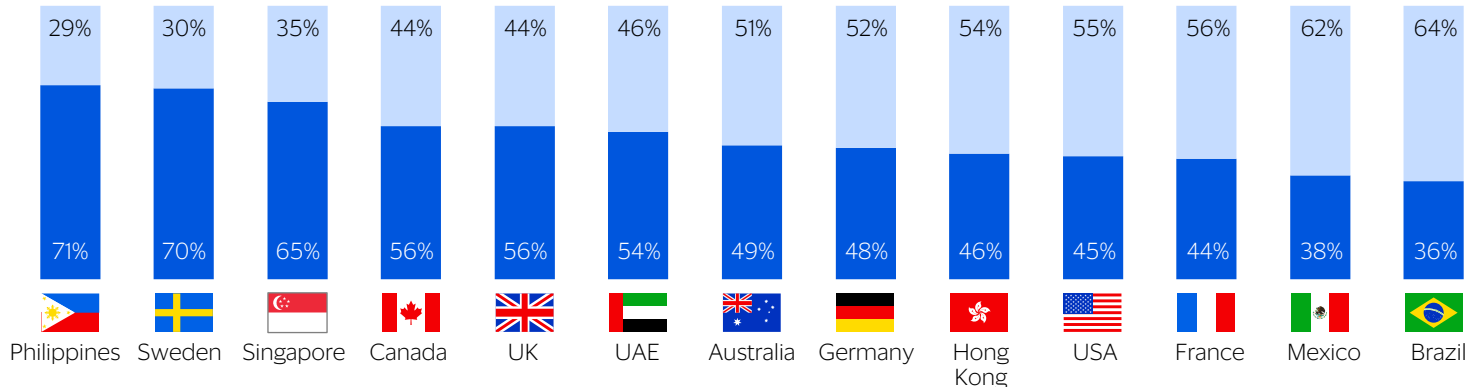
Choosing who to make a cross-border payment with can be overwhelming for consumers. So, when 71% say that they would like more guidance to better understand when and how to use different payment options, it's a clear call for banks and fintechs to offer this: guidance from a trusted source is missing in the market.

# Consumers open to having multiple accounts


It is a highly competitive market for banks and fintechs; consumers simply go to another provider if they are unhappy or need more choice.

About half of those who engage in cross-border payments currently prefer to have their money in multiple accounts. Consumers in key cross-border payment markets such as Sweden, Singapore and UAE are more likely to want the flexibility of having funds in a variety of accounts and providers. It's a competitive cross-border consumer space, with respondents across most markets having 40% of funds in multiple accounts. With consumers being happy using multiple providers, banks and fintechs have to work harder to retain and win consumers by keeping attuned to their behaviors, attitudes and needs.

## I Would Prefer My Money To Be In:



"Once I find a payment option that works, I stick to it."

 83%  
Baby Boomers+

 77%  
Respondents In Australia

 83%  
Respondents In Canada

Two in three respondents say they like routine and once they find a payment option that works, they stick with it (66%). At the same time, three in five say they are currently intentional about the tools they use for cross-border transactions (61%).

These financial behaviors are becoming habitual as people engage in these transactions more frequently. Consumers want easy-to-use services and clear guidance. Many are also in the market for other options. The flexibility of cross-border consumer habits is enabled by a crowded, competitive market.

Consumers are beginning to form cross-border habits. Understand what they want.

Cross-border payments can be complicated. Consumers making regular cross-border payments aren't going to want to go through the decision fatigue of making complex choices. Consumers are looking for security, ease of use, clear guidance, and a consistent routine. If they don't like the available options they are working with, they can take their business elsewhere.

However, consumers are still using lots of different payment options. This flexibility provides banks and fintechs with an incentive to implement digital payment methods that are best suited for cross-border transactions.

# Security is no.1 factor (more than fees or speed)

It will be no surprise to banks and fintechs, that consumers need to have trust in their security. In every region we surveyed, security is the number one factor when choosing a cross-border payment solution. Expanding to the top four most important factors when choosing a cross-border payment option, consumers are looking for security (63%), trust (51%), reliability (49%) and fees (49%).

Across all the different types of cross-border transactions, security is consistently the top priority across all regions, and among those engaging in travel (63%), ecommerce (62%), and remittance (59%) transactions.

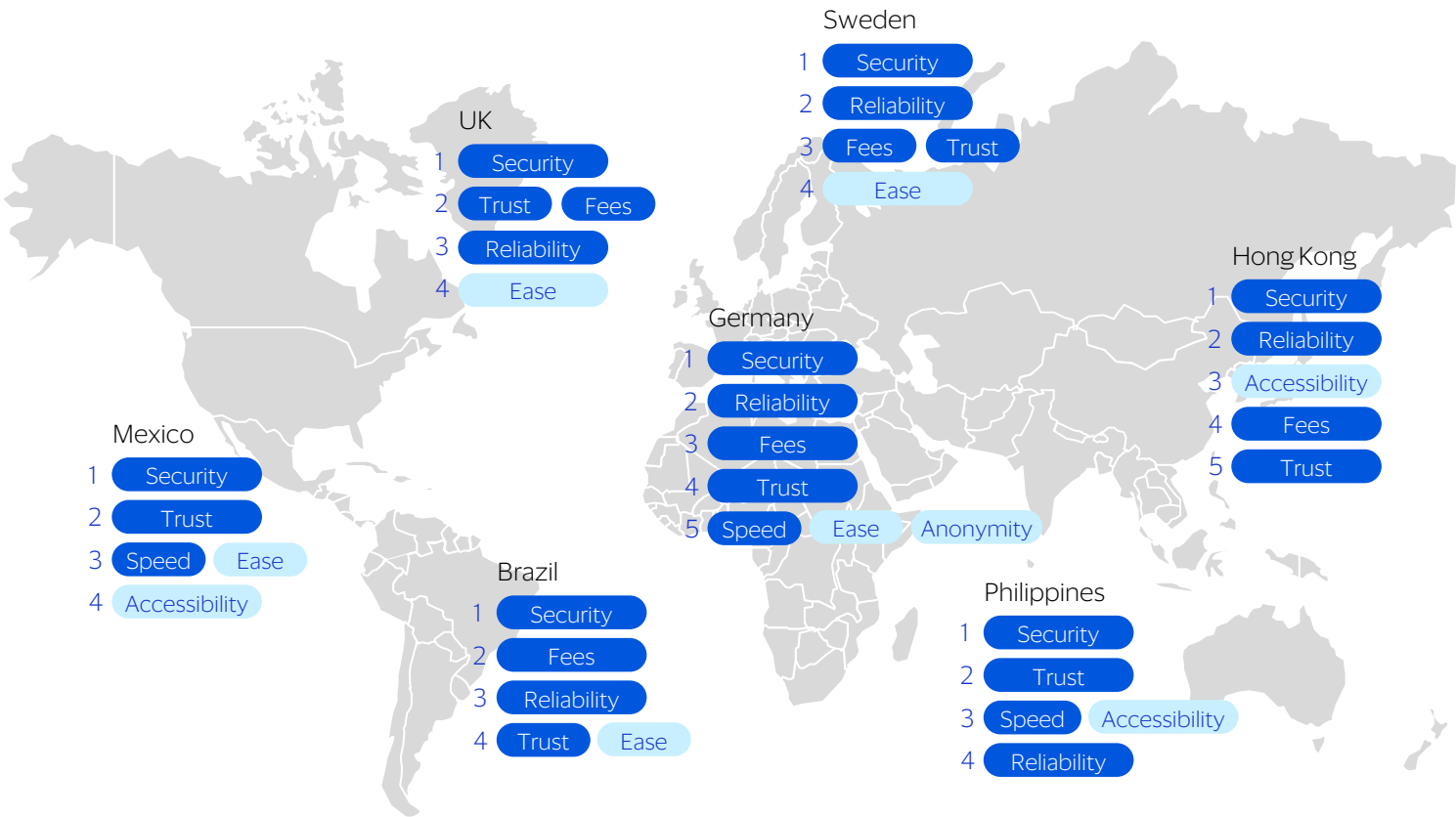
There are some differences by market when looking beyond the top three considerations for choosing a cross-border payment option. For example, accessibility and/or ease of use are important for consumers in Mexico, Brazil, the Philippines, Hong Kong, the United Kingdom, Germany, and Sweden. Anonymity is a top five priority in Germany, while in Brazil consumers say fees are only second to security when choosing a cross-border payment option.

## Top 5 Most Important Factors When Choosing a Cross-border Payment Option

■ Global Top 5   ■ Outside Global Top 5

Australia, Canada, France, Singapore, UAE, and US:

- 1 Security
- 2 Trust
- 3 Reliability
- 4 Fees
- 5 Speed





# Negative experiences color how consumers approach cross-border transactions

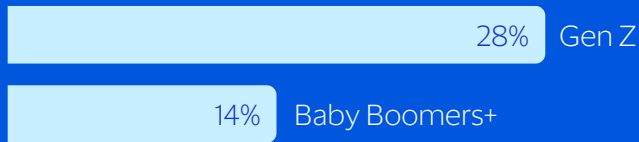
The negative experiences and stories consumers have experienced, seen or heard may be part of the reason security is so universally important. One in five (21%) have had a bad experience making cross-border transactions. Additionally, consumers who send or receive remittances are more likely to report negative experiences (31%). These groups may be especially cautious about fraud.

1 in 5

say they have had a bad experience making cross-border transactions



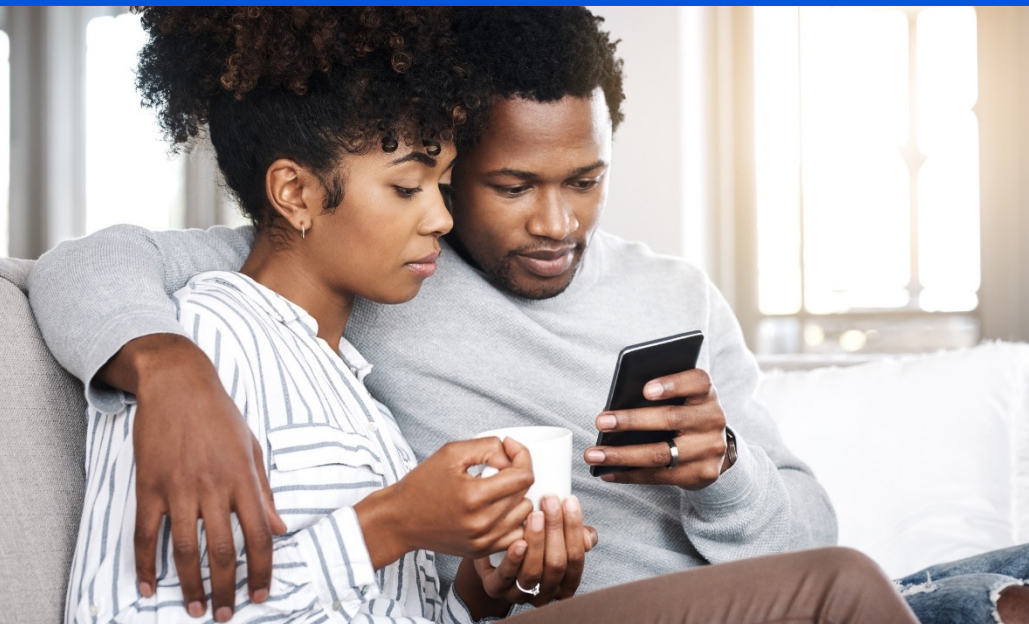
Gen Zers are twice as likely as Baby Boomers and older to say they've had a bad experience when making a cross-border transaction:



**Negative experiences are notable barriers to cross-border transactions.**

Negative experiences are all-encompassing, stretching from delays, fraud or scams, lost or stolen money, incorrect transactions, fees, card issues, complicated processes, or unreliable service or technical issues.

These negative experiences have memorable and consequential repercussions for those who experience them. A consumer in the UAE described how he was "...sending money to my brother. When he needed it, the payment was delayed a week, and he almost lost his apartment." Others reported getting charged twice for currency exchanges, fraud, or unclear or inaccessible guidance on accessing funds. These are incredibly disruptive experiences with enormous real-world harm.



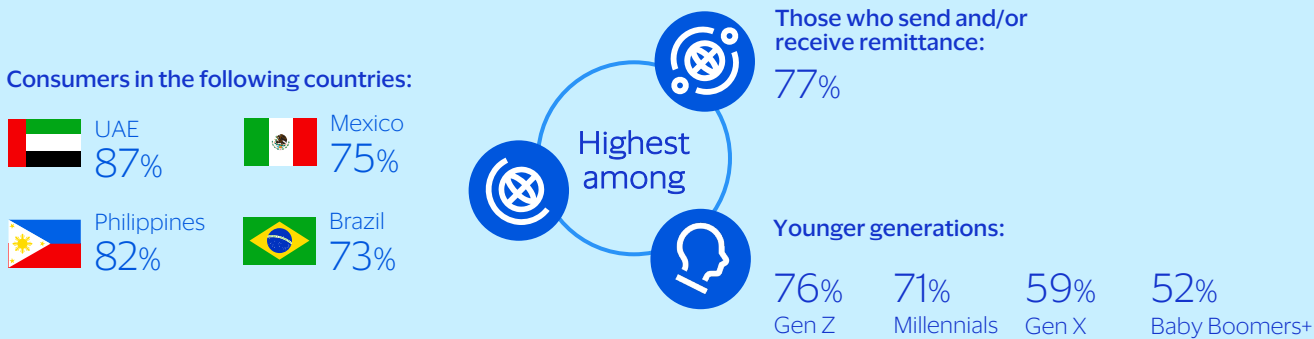
# Fear of fraud is a barrier to usage

About two in three consumers say the fear of fraud has stopped them from using a cross-border payment option. Those who send or receive remittances, younger generations, and consumers in the UAE, the Philippines, Mexico, and Brazil are more likely to have stopped using a payment option due to concerns about fraud.

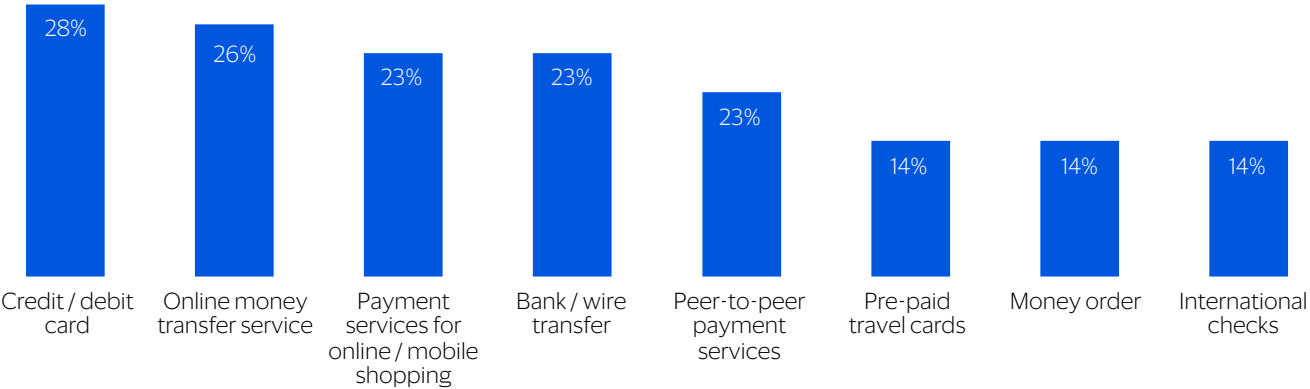
A higher percentage of Gen Z and Millennials, 76% and 71% respectively, have stopped a transaction on suspicion of fraud compared to Baby Boomers and older at 52%. Historically, older generations have built trust in their traditional bank, whereas younger generations are more casual in their choice of cross-border payment provider, some of which may be newer market entrants and therefore haven't built up that trust.

Even so, there is no single payment type that consumers are more likely to have stopped using due to the risk of fraud – that worry has impacted their use of pretty much every payment method. The fintechs and banks that use secure payment platforms (like Visa) can offer consumers the payment experience they want, with reassurance already built in.

## Customers most likely to have stopped using a cross-border payment option due to risk of fraud:



## Consumers who have stopped a cross-border transaction due to the risk of fraud when making international payments via the following payment methods:

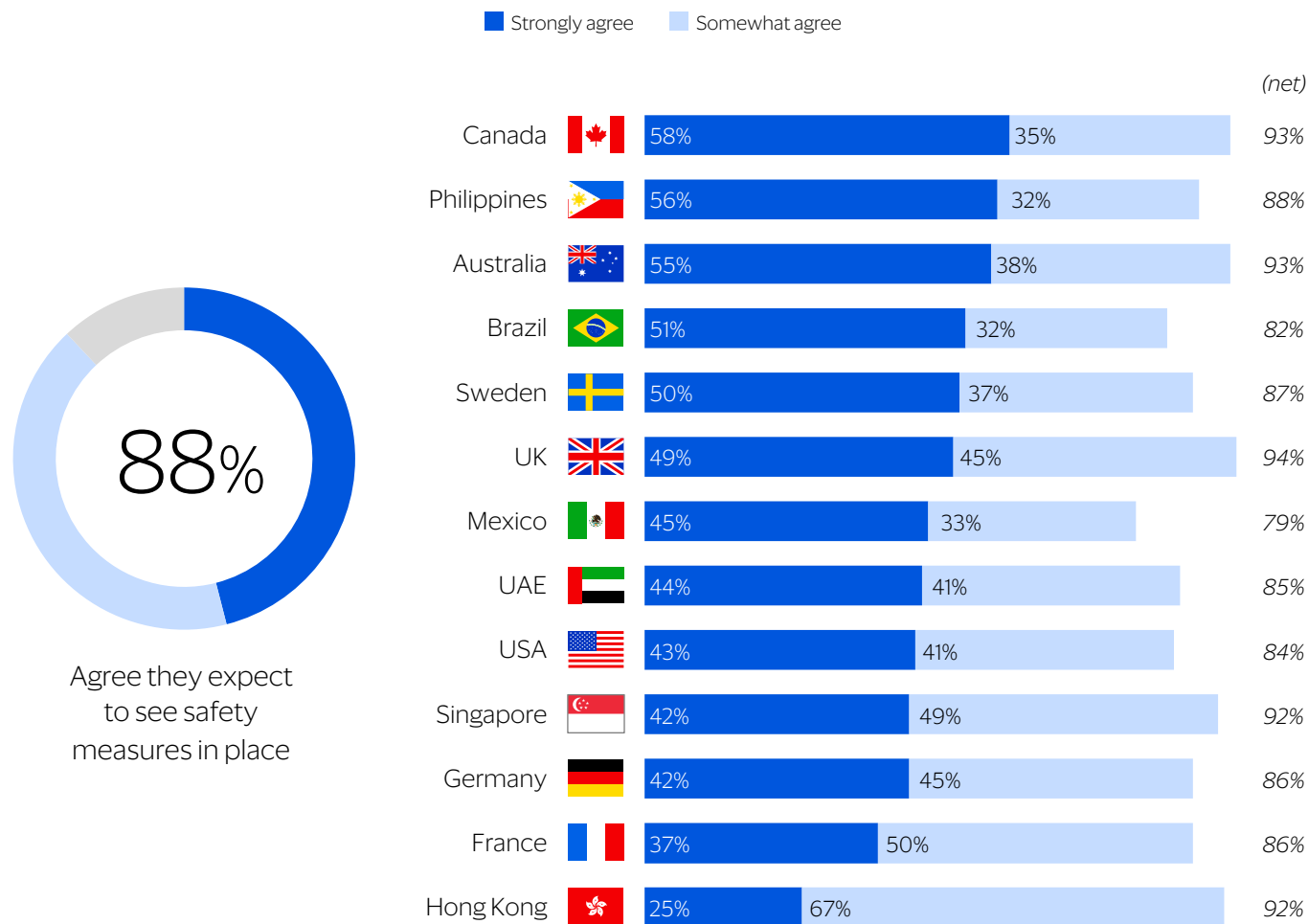


# Security is a necessity, not an option

88% of respondents said that they expected safety measures to be in place in their banks and fintechs. The vast majority of consumers, ranging from 79% in Mexico to 94% in the United Kingdom, agree that safety measures, like payment tracking information or confirmation of payee, are now expected as standard when making transactions across borders.

Banks and fintechs cannot sacrifice safety when it comes to cross-border payments. If they do, they risk losing trust. This is a critical time in the cross-border payment story; many consumers are making cross-border payments frequently and forming habits. Banks and fintechs must deliver on customers' expectations around security or risk losing their business. Banks and fintechs that can alleviate these negative experiences may see significant upsides.

## Consumers Expect to See Safety Measures in Place (e.g., payment tracking info, confirmation of purchase)



# The time is now. Trusted, cross-border partners will attract customers and secure loyalty

This report has shown the growth in volume and frequency of end consumers' cross-border transactions, and the opportunities entering this market can bring. Consumers are using a range of payment methods for ecommerce, travel and remittance transactions, but still haven't found that one provider that ticks all their boxes – but they would like to.

This is where banks and fintechs can step up and be the chosen provider for cross-border transactions and be that secure payment space consumers want. One that provides guidance, security, and a seamless, reliable service wherever they are paying to and from in the world.

**That payment solution should be you.**

Why this is the right time to offer cross-border services to end consumers:

- 1

Cross-border transactions are a large and growing market.

>

This is a critical stage in the cross-border transaction story. More cross-border payments are being made more regularly by a huge number of consumers. But traditionally these transactions have been slow, expensive and lacking in transparency. There's no need for that to be the case anymore.
- 2

Consumers currently use multiple ways to pay.

>

Each consumer is currently using a range of different solutions. They are actively exploring to find the right choice for them. But they're not finding it, yet. They want more options, and education to help navigate the choices. It's a critical time as consumers start to form habits that may last a lifetime.
- 3

Consumers want routine, and a provider they can rely on.

>

Competition will ramp up as banks and fintechs spot the opportunity to be consumers' favorite cross-border payment method. An opportunity to acquire brand new customers with new services, to capture all cross-border spend from existing customers, but also a risk that another provider gets there first.
- 4

The fundamentals of trust can't be forgotten.

>

Trust, security and reliability are critical, never more so than in cross-border transactions when the stakes are often high. Consumers are very sensitive to this and expect banks and fintechs to be safe and secure. A trusted partner is critical to gain the trust of your customers.

To find out how Visa Direct can help you be the trusted provider for all your consumers' cross-border transactions visit **[visa.com/visadirect](https://visa.com/visadirect)**.



# Methodology

Visa commissioned a quantitative online survey across 13 markets to gather data from consumers who had made a cross-border transaction in the past 12 months. This provided a broad, numerical representation of consumer behavior and preferences related to cross-border payments.



10

minute online  
device agnostic  
quantitative survey

6,500

total completed  
interviews from  
June 17 to July 2, 2024  
(500 per market)

18 to 80

age of surveyed adults  
who have sent, received,  
and spent money  
abroad or online in  
the past 12 months

13 markets

US, Canada (NA); Brazil, Mexico  
(LAC); UK, France, Germany,  
Sweden (EU); Australia, Hong  
Kong, Philippines, Singapore  
(APAC); and UAE (CEMEA)

**Respondent Profile:** to participate in the research, respondents had to do one or more of the following in the past year:

- Bought physical products from an online retailer or social media platform, or bought digital products and/or services
- Traveled to or took out cash in another country
- Sent and/or received remittances
- Donated/contributed to a cause, organization, or crowdfunding campaign based in another country
- Invested in foreign stocks, bonds, or mutual funds, or participated in foreign exchange trading
- Paid for study abroad tuition and/or fees
- Bought real estate in another country





# End notes

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- <sup>1</sup> 'Cross-border payments.' Bank of England (2023, January 31).  
<https://www.bankofengland.co.uk/payment-and-settlement/cross-border-payments>
- <sup>2</sup> Calculated by applying the percentage of the general population making cross-border transactions to the current population size in each market.
- <sup>3</sup> 'Global Trends in B2C E-Commerce & Innovations in Online Payments 2024.' Ystats (2024, July).  
<https://www.ystats.com/recent-report/global-trends-in-b2c-e-commerce-innovations-in-online-payments-2024>
- <sup>4</sup> '2024 Travel Trends Report.' Hilton (2024, September).  
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- <sup>5</sup> Key trends in cross-border payments, 2024.' GlobalData UK Ltd. (2024, October 8).  
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