

Opportunities for Improvement in Cross-border Payment Market

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The results of a report released by Earthport provide a detailed understanding of the ideal cross-border payment solution from the perspective of both payment professionals and payment initiators. The global survey, which is based upon responses from professionals across the financial ecosystem, was conducted by payments strategy consulting firm Glenbrook Partners.

According to the report, there is widespread concern and frustration over current practices and prices within the cross-border market specifically among payments in the 'sub-US\$10,000' level

Other key findings include:

- Fifty-four percent of respondents expressed interest in cross-border payment solutions that connect to local ACH/EFT schemes around the world. This strong appetite exists for high-volume, low-value payments service. If a system of this kind could scale and be reliable, then an overwhelming majority of those interviewed will be very interested (54%) or somewhat interested (35%) in this approach.

- Reduced costs will be the most likely benefit to result from improved cross-border payments systems according to 65% of respondents. There are numerous opportunities for improvement, with the top three potential benefits cited as reduced costs (65%), improved payments quality (55%) and improved relationships with suppliers (49%). Other recurring themes include concerns over security, transaction fees and a need for simplified reconciliation.

Even those corporates with mature treasury and payment functions still face sizable challenges transacting on a global basis. Respondents cited the biggest challenges as being the length of time it takes to clear funds, difficulty tracking payment progress and problems with payment reconciliation. They also expressed concern about the lack of foreign exchange fee transparency.



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