

Various forms of money transfers

There are multiple forms of [money transfers](#). In this article we would like to summarize the most important pros and cons of every solution:

1. **SWIFT** (Society for Worldwide Interbank Financial Telecommunication) - inter-banking payment scheme enabling global transfer, International standard
 1. Pros - almost any currency; global network, unlimited amount of transfer
 2. Cons - time of transaction (sometimes a week); cost of transaction (example: 0,3%+10 usd or more); available to banks only
2. **Payouts to Cards** - using Mastercard and VISA network, global transfers, international standard
 1. Pros - almost any currency; global network; speed (even 30 minutes to transfer money between continents)
 2. Cons - Cost of transaction (example: 1% + 0,5 usd), limited amount of transfer (10.000 USD)
3. **Crypto** - using cryptography to transfer value, global transfer, international standard but sometimes forbidden by law
 1. Pros - multiple but virtual currencies; global network; speed (even 5 minutes)
 2. Cons - high costs (example: 1-2%), very often forbidden by regulators, risk of losing money, needs crypto exchange involvement
4. **SEPA** (Single Euro Payment Area) - European standard or euro currency standard
 1. Pros - speed (immediately or 1 day), price (below 1 EUR)
 2. Cons - works only from EUR to EUR, works only in the European Union
5. **Payouts to wallets** - various providers offer various payouts mechanisms to multiply local wallet providers or cash-out networks
 1. Pros - localization
 2. Cons - no global standard in speed and price, usually more expensive
6. **Virtual cards** - you can issue a virtual card, send card data to the receiver and the receiver can use the card globally
 1. Pros - global standard, very quick and very cheap, receiver can use card for ATM withdrawal, POS and eCommerce payments

2. Cons - non-standard way of sending money, receiver reluctance

7. **Local ACH** (Automated Clearing House or local scheme) - there are multiple local or national payment schemes globally that you can use once you integrate with them. Usually requires a bank license to integrate.

1. Pros - quick and cheap, standard in the country
2. Cons - no global standard, works only locally

If you are asking yourself which solution you should use for your user it is actually a wrong question. We recommend using all. Give choice to your users, apply various fees on various methods of transfer, let users choose the best way of payments for them. It is actually very important strategy because:

- for users in Poland SEPA transfer or local ACH are the most common ways of payments nowadays
- for users in Ukraine Payouts to cards are the most common mechanism they have been using for years
- for users in USA SWIFT or local payment schemes are the most common mechanism

If you are building an international service, you really need multiple ways of sending money for your users.

Thanks for reading.

Revision #5

Created 16 April 2024 09:16:36 by Krzysztof Drzyzga

Updated 28 May 2024 11:31:13