**Money Transfer Services**

* Traditional methods, such as bank wire transfers, often come with high fees and lengthy processing times. In contrast, [money transfer](https://robots.net/fintech/why-didnt-my-money-transfer/) services have emerged as a cost-effective alternative, enabling faster transactions and competitive exchange rates.
* Money transfer services are financial platforms that allow individuals and businesses to send and receive funds electronically, typically across borders.
* It is important to note that money transfer services are subject to regulatory requirements and must comply with anti-money laundering (AML) and know-your-customer (KYC) regulations. This ensures that the services are secure and reliable, providing users with peace of mind when transferring funds.
* Money transfer services come in various forms, each offering distinct features and benefits i.e. [**Online Money Transfer**](https://robots.net/fintech/how-to-do-an-online-money-transfer/)**Services, Banks,  Peer-to-Peer (P2P) Transfer Services that** enable individuals to transfer funds directly to each other without the involvement of a traditional bank or financial institution. **Mobile Wallets, Cryptocurrency Transfer Services.**
* **Top money transfer companies are Wise, Regency FX, Currencies Direct, Revolut, XE, Key Currency, OFX and many more.**
* **The projected global market value of remittance for 2022 is over $930 billion.**
* **Digital money transfer market is expected to reach $298.8 billion by 2026.**
* **Mobile wallet users have grown to 2.8 billion worldwide in 2020.**
* **Chase Bank processed the largest volume of P2P payments in the US with $39 billion in 2019.**
* A growing adoption of digital payment platforms such as Venmo and PayPal, an increasing focus on reducing remittance costs through blockchain technology, and a rise in mobile-based remittances. Companies offering lower transfer fees are experiencing substantial customer growth rates, highlighting the importance of competitive pricing strategies.
* It is expected to grow to $66.75 billion in 2028 at a compound annual growth rate (CAGR) of 16.3%.

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| --- | --- | --- | --- | --- | --- |
| **Month/Year** | **MoneyGram** | **Western Union** | **Wise** | **XOOM** | **Total Volume Exchanged** |
| Jan-19 | 10 | 30 | 20 | 40 | 100 |
| Dec-19 | 32 | 52 | 42 | 62 | 188 |
| Jan-20 | 34 | 54 | 44 | 64 | 196 |
| Dec-20 | 56 | 76 | 66 | 86 | 284 |
| Jan-21 | 58 | 78 | 68 | 88 | 292 |
| Aug-21 | 72 | 92 | 82 | 102 | 348 |
| Sep-21 | 74 | 94 | 84 | 104 | 356 |

**Wire Money Transfer**

* Wire transfers move money electronically from one bank account to another. They can be domestic (between two U.S. accounts) or between a U.S. and international account.
* Non-bank wire transfers do not require bank account numbers. One popular non-bank wire transfer company is Western Union, whose international money transfer service is available in more than 200 countries.
* International wire transfers that originate in the United States are monitored by the Office of Foreign Assets Control, an agency of the U.S. Treasury. The agency makes sure the money sent overseas is not being used to fund terrorist activities or for [money laundering](https://www.investopedia.com/terms/m/moneylaundering.asp) purposes.
* Banks often charge a flat fee for wire transfers, which can range between $15 and $50. This can eat up a large percentage of the transferred amount, especially for smaller transactions.
* evolutions in [fintech](https://www.investopedia.com/terms/f/fintech.asp) have provided alternatives that may be even faster than wire transfers. Tools like [PayPal](https://www.investopedia.com/terms/p/paypal.asp) and [Venmo](https://www.investopedia.com/articles/personal-finance/010715/venmo-its-business-model-and-competition.asp) allow domestic transfers in extremely small amounts, even faster than a bank wire, and for lower (or no) fees.
* Wire transfers are regulated under the [**Electronic Fund Transfer Act (EFTA)**](https://www.fdic.gov/news/financial-institution-letters/2019/fil19009b.pdf), which does not put a limit on the amount of money a person can transfer.
* The Bank Secrecy Act of 1970 requires U.S. financial institutions and businesses to report transactions over $10,000 to the Financial Crimes Enforcement Network (FinCEN). This is called a [**Currency Transaction Report**](https://www.fdic.gov/news/financial-institution-letters/2021/fil21012c.pdf) (CTR).
* The IRS determines [**an annual exclusion amount**](https://www.irs.gov/businesses/small-businesses-self-employed/whats-new-estate-and-gift-tax) for each tax year. In 2022, that amount was $16,000, and in 2023, the amount is $17,000. This means that you can give money to a person up to that amount without paying gift tax.
* [Wise](https://wise.com/us/) international payments use the mid-market exchange rate with no markup and no hidden fees. That can mean they’re [6x cheaper](https://wise.com/us/blog/4x-cheaper-than-bank-cards) than a regular bank.
* Xoom is part of the PayPal family, and lets users send money around the world to bank accounts, for cash collection or delivery, to top up phone airtime, and to pay bills.
* the share of Americans who used a wire transfer service as of 2018, by age is that 18-29 years (13.97%), 30-49 years (16.63%), 50-64 year (7.24%)

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| --- | --- | --- | --- | --- | --- |
| **Year** | **Transfers originated (millions)** | **Annual volume growth (percent)** | **Annual value growth (percent)** | **Average value per transfer** | **Average daily volume of Transfers (number)** |
|  |
| **2023** | 19,33,16,782 | -1.4 | 2.5 | 5.62 | 7,73,267 |  |
| **2022** | 19,60,52,238 | -4.1 | 6.9 | 5.41 | 7,84,209 |  |
| **2021** | 20,44,90,893 | 11.1 | 18 | 4.85 | 8,11,472 |  |
| **2020** | 18,40,10,202 | 9.8 | 20.8 | 4.57 | 7,27,313 |  |
| **2019** | 16,76,50,062 | 5.8 | -2.8 | 4.15 | 6,67,929 |  |
| **2018** | 15,84,30,742 | 3.8 | -3.2 | 4.52 | 6,31,198 |  |
| **2017** | 15,26,49,633 | 3 | -3.5 | 4.85 | 6,08,166 |  |