**Money transfer services**

Fedwire and CHIPS: Fedwire and CHIPS are two major electronic funds transfer systems in the U.S. that facilitate large-value money transfers between financial institutions. Fedwire is operated by the Federal Reserve, while CHIPS is a private system.

SWIFT: The Society for Worldwide Interbank Financial Telecommunication (SWIFT) is a global financial messaging system that enables the transfer of funds between financial institutions worldwide. SWIFT is widely used for international money transfers in the U.S. banking system.

Bank Transfers: ACH Transfers: Most common for domestic transfers between accounts. ACH (Automated Clearing House) transfers are generally slower (1-3 business days) but incur minimal fees. Banks and many money service businesses utilize ACH for transfers.

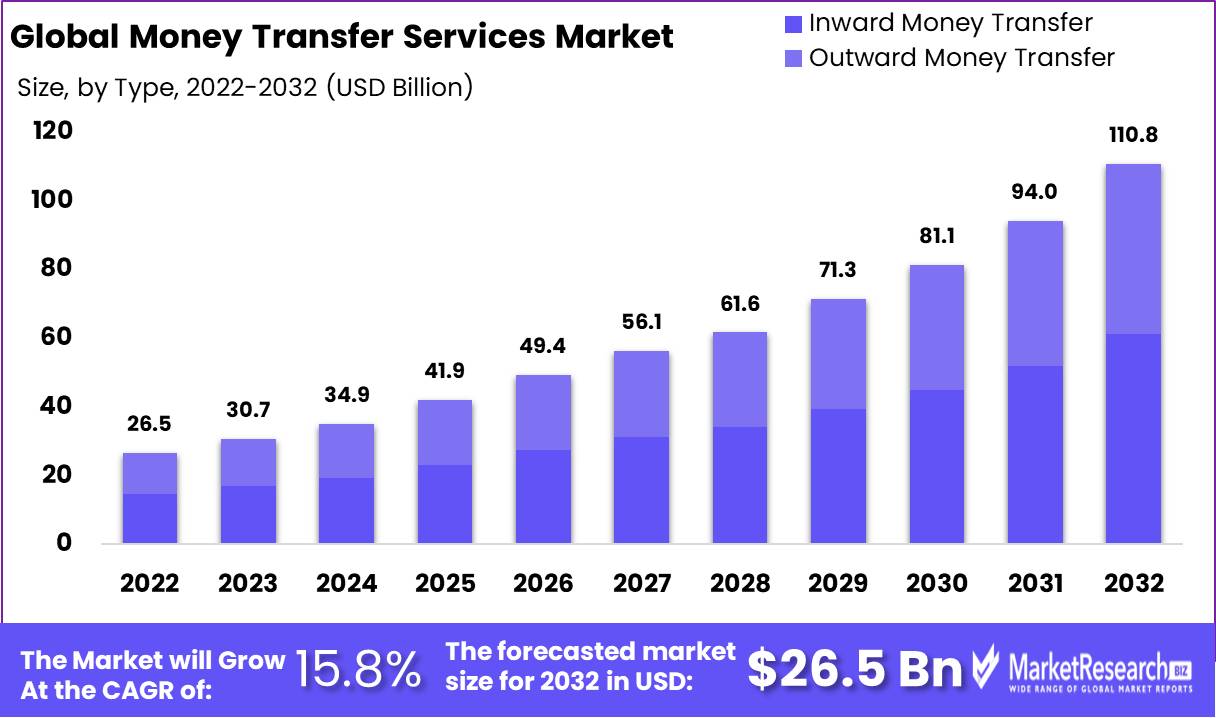
Wire Transfers: Fedwire: The Federal Reserve's wire transfer network. It's the fastest option (usually same-day) but also the most expensive. Primarily used for large, urgent transfers.

Third-Party Money Transfer Services:

Online Money Transfer Services: Companies like Wise (formerly TransferWise) specialize in online money transfers. They often provide competitive exchange rates for international transfers.

Money Service Businesses (MSBs): Western Union is a well-known example. MSBs allow sending cash for pickup at agent locations or transfer directly to bank accounts. They are faster than ACH but may have higher fees.

**Global Money Transfer Service Market (USD Billion)**



A graph of a market

Description automatically generated with medium confidence

A graph of a number of blue and white bars

Description automatically generated with medium confidence

**Wire transfer services**

A wire transfer is an electronic transfer of funds via a network that is administered by banks and transfer service agencies around the world. Wire transfers are sent by one institution and received by another. They require information from the party initiating the transfer, such as the recipient's name and account number.

Wire transfers don't involve the physical exchange of cash but are settled electronically. They can be sent between banks, or through a non-bank service such as Western Union.

**Types of Wire Transfers**

There are two types of wire transfers: domestic and international.

**Domestic Wire Transfers**

A domestic wire transfer is any type of wire payment that takes place between two different banks or institutions within the same country. Senders may require a code or the recipient's branch number if they want to execute a transaction.

These transactions are generally processed on the same day they are initiated and can be received within a few hours. That's because a domestic wire transfer only must go through a domestic [automated clearing house (ACH)](https://www.investopedia.com/terms/a/ach.asp) and can be delivered within a day.

**International Wire Transfers**

International wire transfers are initiated in one country and settled in another. Senders must initiate international transfers even when they send money to someone in another country who has an account at the same bank. These payments require a routing or SWIFT code.

These wire transfers are normally delivered within two [business days](https://www.investopedia.com/terms/b/business-day.asp). This extra day is required because international wires must clear a domestic [ACH](https://www.investopedia.com/ach-transfers-what-are-they-and-how-do-they-work-4590120) and also its foreign equivalent.

**Pros and Cons of Wire Transfers**

Pros

* Fast settlement, even across borders.
* Cannot be bounced or held due to insufficient funds.

Cons

* Bank fees make wires impractical for some amounts.
* Banks may impose a limit on the maximum transfer.
* Alternative payment methods can be even faster and cheaper than wires.

Wire Transfer Volume and Value

* In 2022, there were over 200 million wire transfers processed in the US, with a total value of over $1 trillion per day.
* Domestic wire transfers account for the majority of volume, while international wire transfers make up about 20% of the total.
* The average value of a domestic wire transfer is around $50,000, while international wires average $100,000.