

MoneyGram reaffirms crypto commitment with trading solution

Article

The news: MoneyGram customers can now buy, sell, and hold Bitcoin, Ethereum, and Litecoin directly from the MoneyGram app, per a press release. The feature is powered by crypto exchange Coinme.

How we got here: MoneyGram has made several investments in cryptos over the last year to differentiate itself from competitors like Western Union and Wise and drive its digital

remittance business.

- MoneyGram expanded its [relationship with Coinme](#) in January by acquiring a minority stake in the startup. They had [previously worked together](#) so customers could buy Bitcoin or convert existing Bitcoin holdings to cash at MoneyGram locations across the US.
- It also [worked](#) with long-time partner **Stellar** to let Stellar wallet users send Circle's USD Coin (USDC) to recipients who could then cash it out for fiat currency across MoneyGram's network.

MoneyGram CEO Alex Holmes [advocated](#) for digital currencies at the Finovate Fall 2022 conference, saying that the company was “disrupting itself” to cater to a younger, digital-native customer base.

MoneyGram's opportunity: The new crypto feature, while not directly tied to its remittance business, can help increase engagement with MoneyGram's app—positioning it as a digital-first provider and encouraging consumers to use its online channels for cross-border payments. This can help bolster the firm's **digital transaction volume, which grew 36% year over year (YoY) in Q2** and accounted for 44% of all money transfers in the quarter.

The solution also reflects MoneyGram's commitment to digital currencies, helping it remain at the forefront of the emerging crypto remittance sector. MoneyGram could eventually use it as a springboard to enable crypto remittances directly from the app.

Will it work? MoneyGram's interest in cryptos may stem from the belief that digital currencies can reduce costs and increase payment speeds for remittances. However, some experts say it's more complicated than that.

- **Many of the costs associated with remittances are already baked into the transaction regardless of which rail is used**, according to a [Money20/20 panel](#) featuring Stellar CEO and executive director Denelle Dixon and **Remitly** CEO and co-founder Matt Oppenheimer. Even though crypto can reduce some remittance costs, providers still need to pay for things like regulatory compliance and know-your-customer rules
- **The cross-border payments space is digitizing, which means faster remittances even without crypto.** The [digital money transfer and remittance market](#) is **expected to hit \$4.4 trillion by 2027**, up from \$2.5 trillion in 2022, according to Juniper Research. Digital-only upstarts like Wise and Remitly have helped spur digital remittance growth by lowering

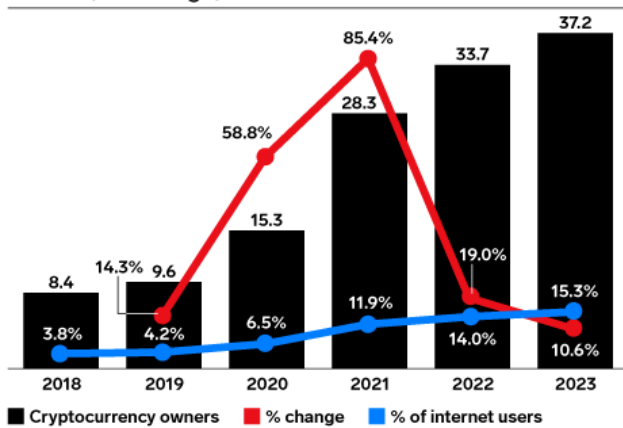
barriers for consumers participating in the sector. Crypto partnerships like the one between MoneyGram and Stellar have likely also helped fuel digital remittance growth.

But digital currencies do have clear remittance use cases. For instance, consumers living in countries with high currency volatility can use stablecoins pegged to the US dollar to improve their buying power.

Related content: Check out our [Global Remittances Forecast 2022](#) and [US Crypto Payments](#) reports to learn more about the intersection of remittances and cryptocurrencies.

US Cryptocurrency Owners, 2018-2023

millions, % change, and % of internet users



Note: individuals ages 18+ who own cryptocurrency (such as Bitcoin, Ether, Dogecoin, etc.) in digital storage/an account

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