

Western Union taps Marqeta to power card business as it moves into banking services

Article

The news: API issuer-processor **Marqeta** will help power **Western Union's** digital banking platform in Europe, per a press release. Western Union will use Marqeta's issuing capabilities

to offer customers virtual and physical cards.

Key context: Western Union has been working on a digital banking pilot and shopping platform in Europe, starting first in Germany and Romania. The shopping platform, WU Shop, will let Western Union customers shop at **more than 12,000 merchants across 60 countries** and get cash-back perks. The banking unit, dubbed Western Union International Bank, will include a multi-currency digital wallet and debit cards.

Why it's worth watching: The emergence of cross-border payment fintechs like **Wise** and **Remitly** has made it difficult for legacy remittance providers to sustain business—pushing them to seek out new growth opportunities. At stake is the **\$774.20 billion global remittance sector, which is expected to grow nearly 6% year over year (YoY) in 2022**, per Insider Intelligence forecasts.

- Western Union's rival **MoneyGram** has pursued cryptocurrency partnerships to innovate its services and maintain customer appeal: The firm recently collaborated with the Stellar blockchain to support stablecoin-to-fiat remittances, and earlier this year, it invested in **Coinme**, the crypto exchange and ATM operator it already partnered with.
- But Western Union seems to be taking a different approach—introducing entirely new services to leverage its existing user base and global reach. And as it undertakes its banking and retail initiatives, Western Union is also building out its core remittance network with global partnerships.

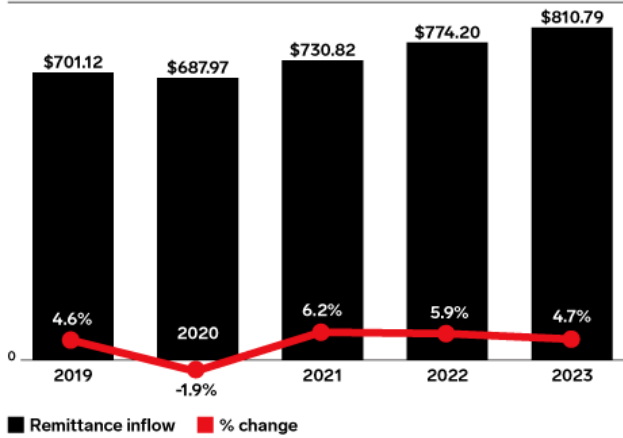
The opportunities: The partnership offers key growth benefits for Western Union and Marqeta.

- **Marqeta's card issuing capabilities can help Western Union increase customer engagement.** Western Union may be branching out into banking and retail to keep customer volume within its network—and Marqeta can help facilitate this by offering customers cards tied to their Western Union accounts. This lets Western Union capitalize on consumer spending even after a remittance is completed.
- **Western Union can extend Marqeta's global presence and bolster card revenues.** Western Union was the top money transfer provider by revenues in 2020, **bringing in \$4.220 billion that year**. Therefore, working with the company lets Marqeta benefit from Western Union's customer network and extend its reach into new markets.

Go deeper: Check out the [“Global Remittances Forecast 2022”](#) report to learn how the sector is shifting and its key growth opportunities.

Remittance Inflow Worldwide, 2019-2023

billions and % change



Note: remittances are defined as the value of money sent home by citizens working abroad to their country of origin; global inflow is the value of all money sent to a citizen's home country while they are working abroad; examples include a citizen of Mexico working in the US and sending money back to Mexico through a financial institution or money transfer service, such as Western Union
Source: Insider Intelligence, Dec 2021

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