

Revolut and Stripe sign payments partnership to drive global expansion

Article

The news: UK-based neobank **Revolut** partnered with **Stripe** to support payment processing in the UK and Europe. The tie-up will also help Revolut's expansion in Latin America and possibly India and the Philippines, per Bloomberg.

Key context: Stripe processes payments in more than 135 currencies and in over 47 countries, making it an attractive provider for businesses with a growing global presence, like Revolut.

The pandemic helped supercharge Stripe's business. Many firms turned to the processor to support the massive rise in ecommerce: **Worldwide retail ecommerce sales surged 27% year over year (YoY) in 2020—and that trend carried into 2021 with a 171% YoY increase, per** eMarketer forecast from Insider Intelligence. This fueled double-digit **growth** for Stripe; it **processed a whopping \$640 billion in payments in 2021.**

Revolut's opportunity: Stripe's infrastructure can help Revolut improve its payments business as it sets out to become a bigger player in the sector.

- Just this week, it **unveiled** its first-ever point-of-sale hardware, the Revolut Reader, which lets merchants accept cards and contactless payments.
- It's also been scaling its global footprint over the year: It **launched** in 10 European countries in January and **brought** its app to Sri Lanka, Chile, Ecuador, Azerbaijan, and Oman last month to broaden its remittance business.

Since money transfers are a core piece of Revolut's business, it's important that it works with a provider that can support cross-border transactions and frictionless processing.

Stripe's benefit: Revolut can help extend Stripe's reach as the neobank builds out its international presence. And its **15 million customers** as of **June** can help boost Stripe's revenues as the tech fallout threatens to hamper growth—the company's valuation has **fallen** 35% since the start of the year

The big takeaway: As global cash use declines, Revolut and Stripe's tie-up can help fuel growth for both companies.

Stripe's infrastructure can help Revolut strengthen its payments business and potentially opens the door to other tie-ups that can improve its standing in the payment sector. And Stripe can use Revolut to grow its reach and sustain revenues as it contends with market headwinds.

Ecommerce Payment Methods Used Worldwide, 2021 & 2025

% of total

	2021	2025
Digital/mobile wallet	49%	53%
Credit card	21%	19%
Debit card	13%	13%
Bank transfer	7%	6%
Buy now, pay later	3%	5%
Cash on delivery (COD)	3%	1%
Direct debit	1%	1%
PrePay	1%	1%
Prepaid card	1%	0%
PostPay	1%	0%
Other	1%	1%

Note: numbers may not add up to 100% due to rounding

Source: FIS, "The Global Payments Report," March 2, 2022

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