

MoneyGram launches payment as a service offering for enterprise customers

Article

The cross-border payments giant [launched](#) MoneyGram as a Service, a new offering that gives enterprise customers access to its API-powered money transfer platform and network.

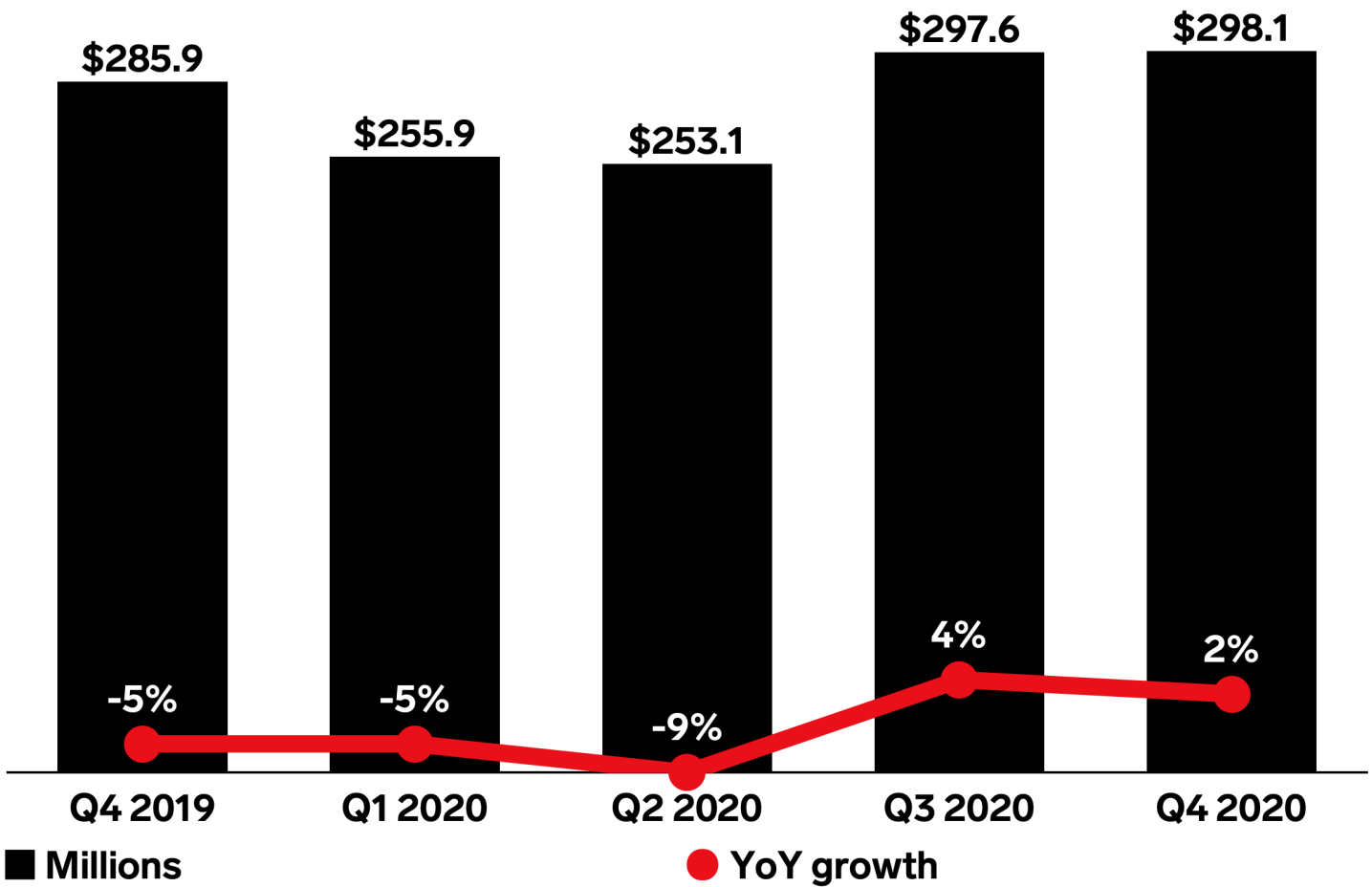
MoneyGram says the solution lets firms use its money transfer capabilities to create new business use cases and offerings for their customers. And as digital currencies continue to [soar](#), MoneyGram also opened the platform up to G-Coin, a digital asset backed by gold.

MoneyGram's launch comes as cross-border payments begin to recover. In April 2020, the World Bank projected that remittances would drop [20%](#) annually in 2020 as a result of the coronavirus pandemic. The sector was not as negatively affected as expected, but worldwide remittance inflow dipped 8.7% year over year (YoY), [according to](#) Insider Intelligence forecasts. The drop was likely not as bad as anticipated in part because migrants continued [sending](#) funds to loved ones abroad. Payment platforms [used](#) their digital remittance offerings to stay afloat last year—though MoneyGram's revenues still [dropped](#) 6% YoY in 2020.

The recovery of both the economy and remittances could set the stage for MoneyGram as a Service to grow:

- **Payment as a service (PaaS) offerings are heating up.** Payment providers are turning their products into software-based solutions that can be plugged into existing platforms for various use cases: Last year, Square [launched](#) Terminal API, which connects its all-in-one card payment hardware Square Terminal to any existing point-of-sale platform. And newer players are gaining [traction](#), like Brim, which offers a PaaS solution aimed at financial institutions.
- **The PaaS market is expected to reach a value of [\\$25.7 billion](#) by 2027.** As the sector grows, MoneyGram as a Service could become an additional volume and revenue driver for the company because firms may want to implement cross-border payment solutions in their own offerings because it would allow them to easily accept payments from customers abroad.

MoneyGram Money Transfer Revenue Growth



Note: Year-over-year growth is reported on a constant currency basis

Source: MoneyGram, 2021

Methodology: This data is from MoneyGram's quarterly earnings release published on February 22, 2021.

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