

Plaid and Wise team up to offer access to thousands of financial services apps

Article

The news: Technology platform **Plaid** and money-transfer provider **Wise** struck a deal to offer customers access to a storefront of apps without their needing a bank account, [per](#) FinExtra.

The partnership aligns with Plaid's journey toward secure universal data access and Wise's "money without borders" mission.

How it works: The deal gives Wise's 13 million customers access to over 6,000 apps—including **Venmo**, **Chime**, and **Truebill**—via Plaid's [open finance platform](#) **Core Exchange**.

- Launched in May, Plaid's Core Exchange serves as an app store where users can select apps for their digit platforms and easily connect via API.
- The deal lets customers use their Wise USD local accounts to move money between any connected accounts on the platform.
- The connection is already live, and so far, customers have used the platform to make peer-to-peer payments and investments, send funds to payroll companies, connect to neobanks, and pay off credit card bills.

The connections are instant, and there are no hidden or additional fees.

The bigger picture: This is a partnership to watch, as it's another instance of a money-transfer platform stepping into a broader role.

- In June, remittance company **Western Union** [partnered with](#) API issuer-processor **Marqeta** to issue virtual and physical credit cards.
- Just days later, Western Union announced a [deal](#) with cloud banking platform **Mambu** to power Western Union's digital banking app **WU+**. The banking app offers a standard or premium tier, and is in pilot in Germany and Romania.

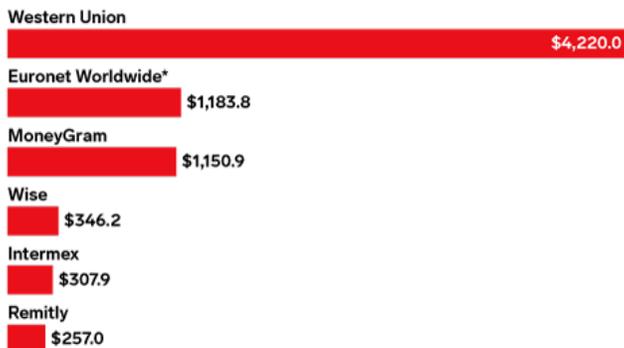
Why it's important: Money transfer apps are commonly used for remittances and generally cater to a [customer base](#) that is underserved, unbanked, or has limited access to banking services. But because of that, their reach is wide and valuable.

- Western Union operates in about 200 countries and serves 150 million customers.
- Wise touts roughly 10 million customers.

By branching out into new services and products, these firms can provide new opportunities for the underserved to start saving, investing, and sharing. And these connections do away with the need for a bank account.

Top Money Transfer Operators Worldwide, by Revenues, 2020

millions



Note: *includes revenues from subsidiary brands Ria, IME, AFEX, and xe
Source: Western Union, Euronet Worldwide, MoneyGram, Wise, Intermex (International Money Express), and Remittly company reports; Insider Intelligence calculations, Aug 30, 2021

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The big takeaway: The move from money-transfer services to services traditionally provided by banks has the potential to disrupt the banking industry. Customers can access thousands of financial apps without using a bank as an intermediary, and digital integration makes services formerly provided primarily by banks more widely accessible.

Partnerships like this one and the one between Western Union and Mambu are unique: The demographics that already interact with these companies range from underserved and remote to developed and first-world. These B2B-focused firms don't need to invest in mass marketing to consumers. Instead, they're serving as connective pipes within the financial services sector, giving consumers access to all of the solutions that are right for them.

*This article originally appeared in Insider Intelligence's **Banking Innovation Briefing**—a daily recap of top stories reshaping the banking industry. Subscribe to have more hard-hitting takeaways delivered to your inbox daily.*

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