

# Wise targets overseas expansion and strengthens domestic offering to fuel growth

Article

**The news:** British money transfer fintech **Wise** is embracing partnerships abroad and diversification at home to bolster growth.

- It partnered with Mumbai-based private lender **IndusInd Bank** to provide remittance services from the US and Singapore to India with no hidden fees or exchange rate markups. It also launched Wise Platform in India to help large companies and banks build Wise's cross-border payments tech into their infrastructure, according to a press release.
- In the UK, Wise now offers customers a 4.12% variable interest rate for pound sterling balances on its [instant access accounts](#). Users can hold multiple currencies and also earn interest on US dollars (4.55%) and euros (2.71%). Wise partnered with **BlackRock** for the accounts and charges customers 0.29% fees annually.

### Why the moves make sense:

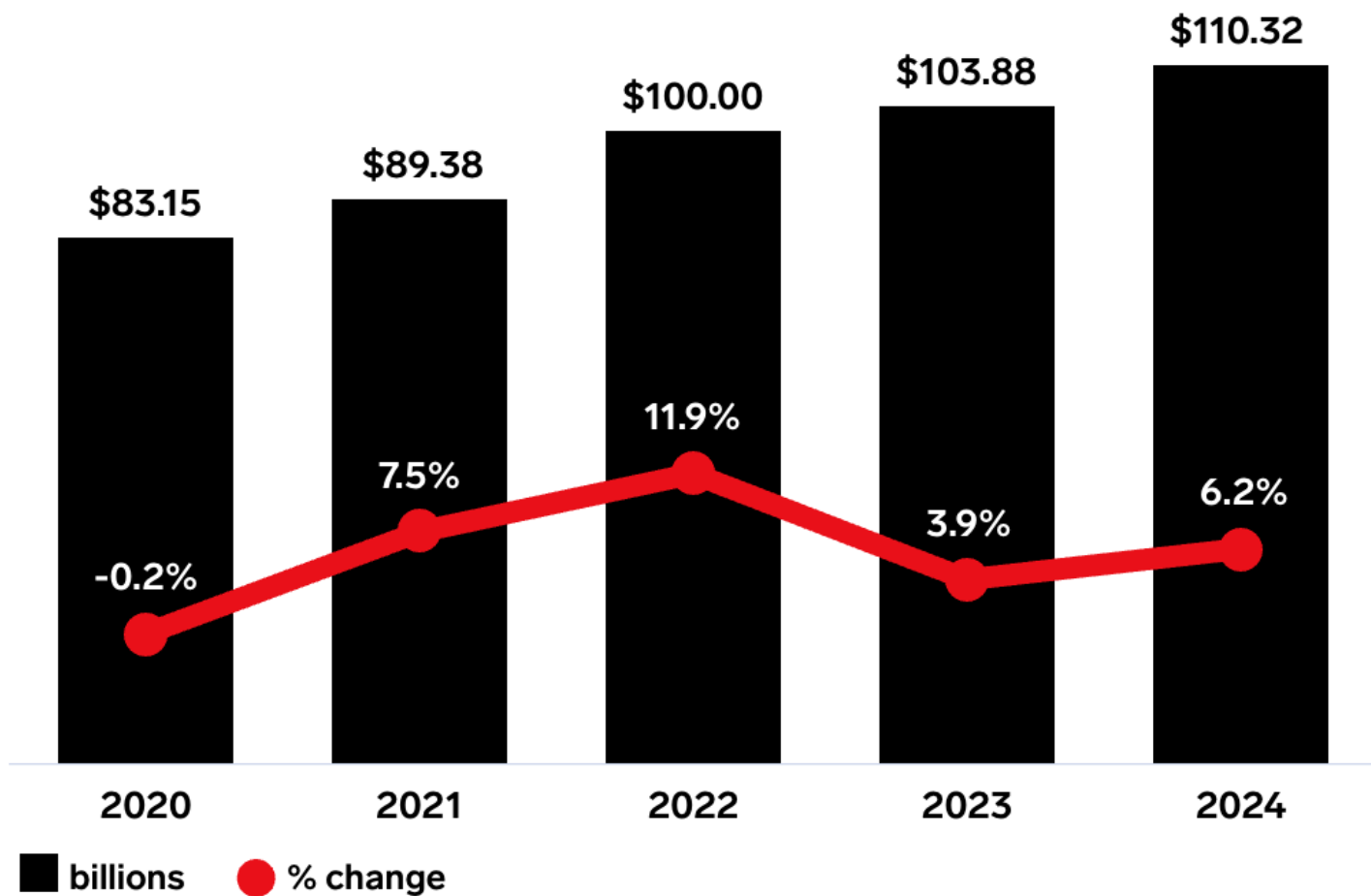
- Hidden fees can make sending remittances expensive. Consumers sending money to India paid more than INR 219 billion (\$2.79 billion) on foreign exchange fees in 2020, of which about INR 79 billion (\$1.01 billion) was hidden, per a Capital Economics study commissioned by Wise. By making cross-border payments cheaper, Wise can tap a huge market: **Remittance inflow to India will reach \$103.88 billion this year**, per [Insider Intelligence forecasts](#).
- And Wise's higher savings rates can help it stand out from lenders offering weak returns in the UK. [Politicians have criticized banks](#) for not passing on higher interest rates: The **Big Four offer rates between 0.7% and 1.35%**, [per](#) the Treasury Committee, despite the Bank of England's 4.5% interest rate. Wise's returns follow central bank rates, which should make it more competitive and draw in consumers who are keen to grow their savings to combat cost-of-living pressures.

### The bigger picture:

- [Wise is diversifying](#) in response to rising competition in the digital remittance market. It partnered with [Plaid](#) and introduced **Wagestream**, a financial well-being app. Making its offering more appealing with products like higher-rate savings accounts can help it keep momentum with customer acquisition and financial growth while creating cross-selling opportunities.
- And expanding geographically through partnerships can help increase its share of a growing market: **Worldwide remittance inflow will hit \$794.54 billion in 2023**, up from \$775.13 billion last year, per Insider Intelligence forecasts. Wise forged 15 partnerships in 2022, and tie-ins with FIs like IndusInd Bank can help it sustain growth abroad quicker than through organic means.

## Remittance Inflow

India, 2020-2024



Note: Exchange Rate; the value of money sent by citizens working abroad to their country of origin; examples include a citizen of this country working in another country and sending money home through a financial institution or money transfer service (e.g., Western Union)

Source: eMarketer, December 2022

[InsiderIntelligence.com](https://www.insiderintelligence.com)

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

- *Are you a client? [Click here to subscribe.](#)*
- *Want to learn more about how you can benefit from our expert analysis? [Click here.](#)*