

# Visa dives further into BNPL, cross-border payments as economic storm clouds gather

Article

**The news:** Visa expanded its reach into two high-growth segments.

- **Installments.** Through a tie-up with paytech **Nuvei**, Visa is bringing its buy now, pay later (BNPL) program to more Canadian retail brands, including **Simons** and **Trévi**, per a press release. [Visa Installments](#) is an API-based solution that lets cardholders pay for purchases over time through participating issuers.
- **Cross-border payments.** Visa Direct—Visa’s card-based push payments platform—integrated with cross-border payments startup **Thunes**, per a press release. The tie-up lets Visa’s clients enable send-to-wallet capabilities to the 78 global digital wallets using Thunes, increasing Visa Direct’s endpoints by 1.5 billion.

**What this means:** Visa is using its vast network to incorporate payment use cases beyond traditional card transactions.

Here are three reasons why:

**Consumers want payment flexibility and payment choice.** As economic uncertainty weighs on consumers, many are seeking out payment options like [BNPL](#) that help alleviate cost pressures. And payment providers and merchants are recognizing the importance of offering [diverse payment methods](#) that appeal to more consumers. Visa is using its infrastructure to support payment use cases like BNPL, which helps strengthen its relationships with merchants and issuers.

**Visa wants to stay ahead of the curve as cross-border payments gain steam.** Historically, cross-border payments could only be sent and received by the same channel, like account-to-account or wallet-to-wallet. But payment providers are breaking down those barriers so customers can move money across channels, like wallet-to-card or bank account-to-card. Visa most likely sees its network as a way to support this trend.

**Fintechs are accumulating power in the payments sector, and Visa may want to avoid disintermediation.** Many small businesses and merchants are eschewing legacy banking and payment providers for fintechs with innovative and cheaper solutions. **Eighty-nine percent of global small and medium-sized [businesses feel underserved](#)** by their primary banks and are considering switching to a more accommodating alternative paytech firm, per a recent Capgemini report. Establishing relationships with fintechs like Thunes and Nuvei can help Visa offer clients more innovative payment products.

**The big takeaway:** Visa’s latest tie-ups can help it sustain revenues—which [grew 21%](#) on a constant currency basis in the quarter ending June 30, 2022—as global markets brace for an [economic downturn](#).

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## Net Revenues of Select Payment Companies Worldwide, 2021

millions

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PayPal	\$25,371.0
Visa	\$24,105.0
Mastercard	\$18,884.0
Block	\$17,661.2

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Source: PayPal, Block, Visa, and Mastercard company reports, Feb 24, 2022

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