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The interoperability imperative

Building the next generation of cross-border payments

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Contents

Introduction

As cross-border payments grow in importance within the global economy, the infrastructure supporting them is becoming increasingly diverse. Banks, card networks, domestic payment schemes, real-time payment systems, digital wallets, and emerging forms of settlement all play distinct roles across different markets and use cases. For payment providers, the challenge is no longer simply gaining access to these endpoints but determining how they can work together effectively.

This matters because the experience customers expect from payments has changed. Domestic payments are often immediate, transparent, and embedded within familiar digital experiences. Cross-border payments are now judged against the same standard, even though delivering them can involve multiple jurisdictions, currencies, regulatory regimes, partners, and payment networks.

The industry has responded by investing heavily in modernising individual payment infrastructures. Yet modernisation alone cannot resolve the fragmentation that exists between them. No single payment rail provides the reach, flexibility, and range of payment methods required across every market. Nor is the global payments landscape showing signs of converging on a single universal infrastructure.

This white paper argues that the next stage of cross-border payment development will therefore depend on intelligent interoperability: the ability to coordinate different payment infrastructures so that providers can select and manage the capabilities required for each transaction while insulating customers from the complexity behind it.

This goes beyond connectivity alone: it is not simply the ability to access multiple payment infrastructures, but to manage how they work together according to the requirements of each transaction.

Drawing on interviews with senior payments leaders and a survey of 75 payments professionals conducted by Opinium, the paper brings together research from The Payments Association in collaboration with Dandelion Payments. The paper examines how expectations are changing, why adding more connections is no longer sufficient, and what intelligent interoperability means in practice. It also considers the capabilities, partnerships, and operating models organisations will need as the payments ecosystem continues to evolve.

Chapter one:
The current state of payments

Cross-border payments are entering a new phase of evolution, driven not simply by higher transaction volumes but by the growing complexity of the global payments ecosystem.

While the movement of money across borders has long underpinned international trade and remittances, growth in digital commerce, international labour mobility, and the rapid digitisation of financial services have expanded not only the volume of cross-border payments, but also the number of markets, payment methods, and customer journeys that providers must support.

The global payments industry processed 3.4 trillion transactions worth US$1.8 quadrillion in 2023, generating a revenue pool of US$2.4 trillion.[1] The scale of the industry provides the backdrop to continued investment in increasingly digital and interconnected payment ecosystems. Meanwhile, the World Bank estimates that global remittance flows reached US$856 billion in 2024, with US$653 billion flowing to low- and middle-income countries, where remittances remain an important source of external finance.[2]

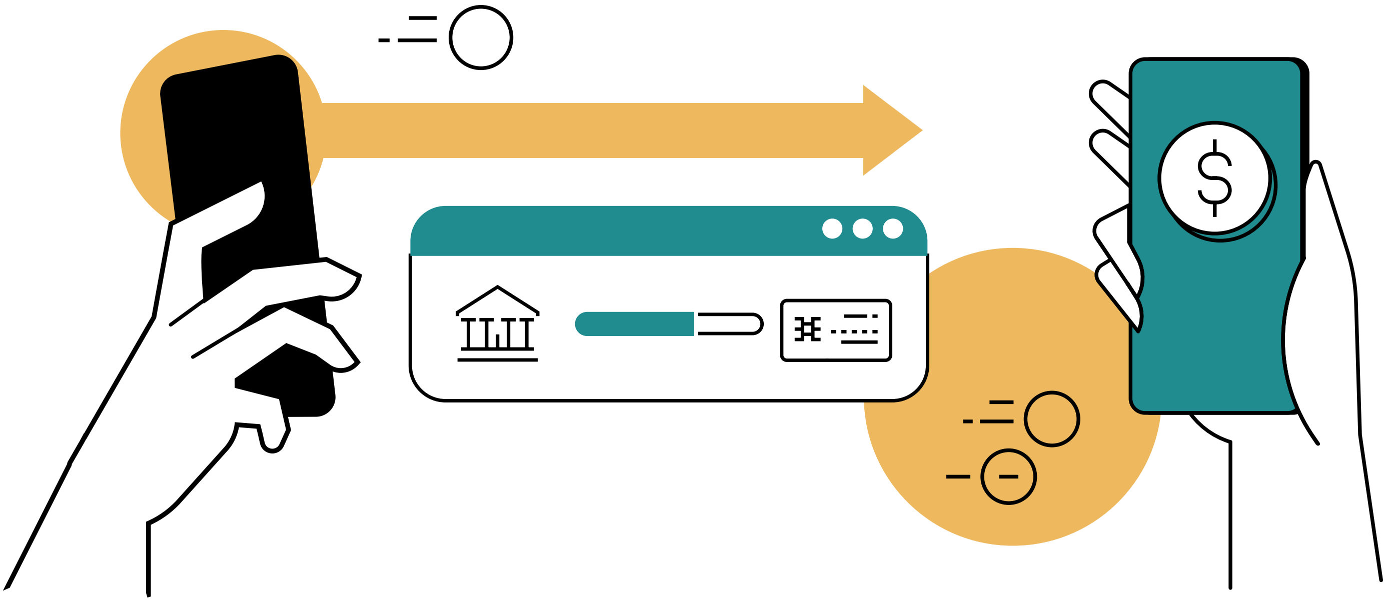
However, transaction growth tells only part of the story. Organisations are expanding across markets while consumers and businesses expect to pay and be paid using familiar local payment methods, regardless of where the transaction originates. Supporting those expectations requires payment providers to connect with an expanding ecosystem of domestic payment schemes, instant payment networks, digital wallets, and banking infrastructures. As these networks proliferate, the industry's challenge is becoming less about accessing individual payment rails and more about enabling them to work together effectively.

The shift in customer expectations reflects broader changes in the digital economy. Consumers have become accustomed to fast, seamless payment experiences delivered by domestic instant payment schemes, digital wallets, and mobile banking applications. Those experiences now shape expectations for cross-border transactions, with users expecting international payments to offer the same levels of speed, transparency, and convenience as domestic alternatives.

Nicolas del Aguila Bonifaz, Business Development and Strategic Partnerships Manager at Yape, sees the same convergence in customer expectations. In Peru, he says, users increasingly expect cross-border payments to feel no different from the domestic payments they already make through digital wallets. For customers, the distinction between local and international infrastructure matters far less than whether the experience remains fast, simple and transparent.

"The challenge is no longer simply moving money internationally but coordinating multiple payment ecosystems while maintaining speed, transparency and resilience."

1 McKinsey & Company, *Global Payments Report 2024: Simpler interfaces, complex reality*, September 2024.
2 World Bank, *"Cutting the Cost of Sending Money Home: Fast Payment Systems, Digital Remittances, and the $48 Billion Opportunity"*, July 2026.

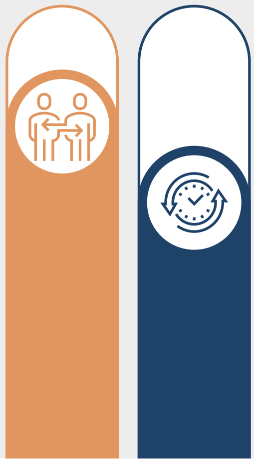


Payments organisations are already responding to these changing expectations. Among respondents to our survey, 51% identified a greater focus on customer experience as an area of improvement. Real-time payment capabilities (41%), payment transparency and improved reliability (39%), and faster settlement (36%) were also identified as areas of improvement.[3]

For businesses, the challenge extends beyond simply moving funds internationally. Success in new markets depends on offering customers familiar local payment methods at checkout, providing clear visibility of payment status and settlement, and reducing friction throughout the payment journey.

Those changing expectations are also reflected in consumer payment behaviour. According to Worldpay, digital wallets accounted for 50% of global e-commerce transaction value in 2023, while also representing 30% of point-of-sale consumer spend. Their adoption is expected to continue increasing over the coming years.[4] At the same time, domestic real-time payment systems such as Pix in Brazil, UPI in India, and PromptPay in Thailand have fundamentally reshaped payment behaviour within their respective markets.[5] As these local ecosystems mature, international businesses face growing pressure to support these payment methods as part of a seamless cross-border payment experience.

The result is that cross-border payments are no longer defined solely by correspondent banking relationships or traditional remittance corridors. Providers must now orchestrate payments across multiple payment methods, currencies, regulatory environments, and technical standards while maintaining the speed, transparency, and reliability customers increasingly expect.



CUSTOMER EXPERIENCE LEADS AREAS OF IMPROVEMENT

51%

cite greater focus on customer experience as an area of improvement, ahead of real-time payment capabilities at 41%.

These pressures are expected to shape investment priorities for the next three years. Advances in payment technology were identified by 43% of respondents as one of the biggest factors shaping their organisation's cross-border payments strategy, while 37% cited the growing number of payout methods and local payment options. Operational efficiency followed at 36%, with regulatory change cited by 33% and greater transparency and tracking by 31%.[6] The breadth of these priorities illustrates the challenge facing providers: cross-border payment strategies increasingly have to accommodate technological change, expanding payment choice, and operational demands simultaneously.

3 *The Payments Association survey, conducted by Opinium, August 2026. Survey of 75 payments professionals. Respondents could select up to three answers.*

4 *Worldpay, Global Payments Report 2024*

5 *Bank for International Settlements, Fast payments and financial inclusion, various publications; Central Bank of Brazil (Pix), National Payments Corporation of India (UPI), and Bank of Thailand (PromptPay).*

6 *The Payments Association survey, conducted by Opinium, August 2026. Survey of 75 payments professionals. Respondents could select up to three answers.*

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Modern infrastructure, a fragmented landscape

Individual payment infrastructures have benefited from significant investment and modernisation. The challenge increasingly lies in coordinating these networks across markets while maintaining speed, transparency, and compliance. More than 70 jurisdictions have now implemented fast payment systems, while domestic instant payment schemes continue to expand worldwide.[7] Worldpay projects that digital wallets will account for more than US$25 trillion in global transaction value by 2027, representing 49% of all online and point-of-sale sales combined.[8]

For payment providers, a single cross-border payment proposition may now require connectivity to multiple banking networks, domestic payment schemes, card rails, and digital wallets, each operating with different technical standards, regulatory requirements and settlement processes.

"Worldpay projects that digital wallets will account for more than US$25 trillion in global transaction value by 2027, representing 49% of all online and point-of-sale sales combined."

The operational consequences of fragmentation

Supporting this range of infrastructures creates operational complexity beyond establishing the connections themselves. Providers must continuously make decisions about payment routing, liquidity, compliance, and customer experience across an increasingly fragmented payments ecosystem.

These operational demands affect almost every stage of the payment lifecycle. Routing decisions have become more sophisticated, with providers needing to determine the most efficient payment path based on factors such as transaction value, destination market, settlement speed, customer preference, and processing costs. At the same time, operating across multiple payment systems often requires organisations to manage liquidity across different currencies, banking partners, and settlement accounts, increasing both financial and operational complexity.

Compliance has also become more demanding as providers navigate differing anti-money laundering requirements, sanctions regimes, data protection rules, and reporting obligations across multiple jurisdictions. Maintaining a consistent customer experience adds another layer of complexity. Regardless of the payment method or market involved, customers expect reliable processing, transparent payment tracking, and predictable settlement times.

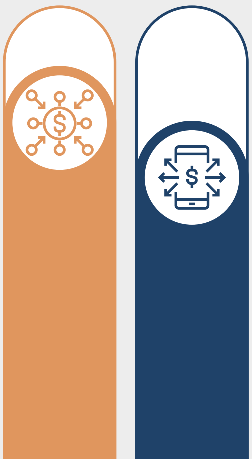
A single cross-border payment may now involve multiple intermediaries, local payment schemes, and regulatory checks before reaching its destination. The challenge is no longer simply moving money internationally but coordinating multiple payment ecosystems while maintaining speed, transparency, and resilience.

Coordinating payment ecosystems has become a strategic capability. Individual payment rails remain essential, but no single network can satisfy every market or customer requirement. The next chapter explores why this growing need for interoperability is reshaping cross-border payment infrastructure and the technologies emerging to support it.

TECHNOLOGY AND CHOICE ARE SHAPING STRATEGY

43%

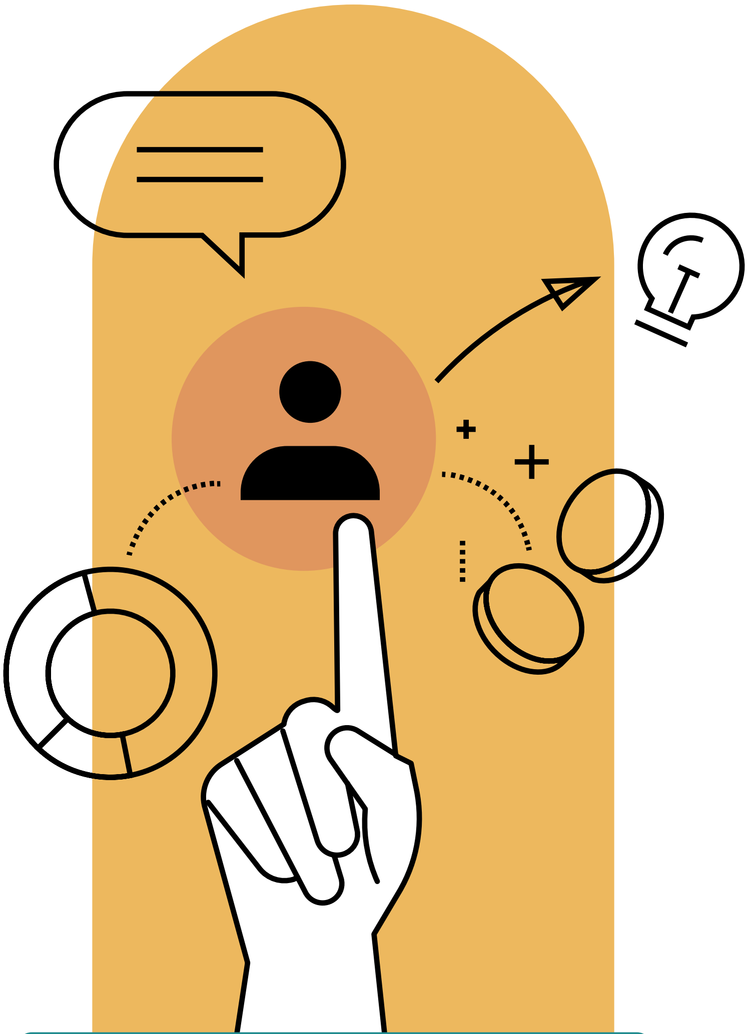
cite advances in payment technology as a factor shaping cross-border payments strategy, while 37% cite the growing number of payout methods and local payment options.



7 Bank for International Settlements, Fast Payments – Enhancing the Speed and Availability of Retail Payments, and CPMI publications on fast payment systems.

8 Worldpay, Global Payments Report 2024.

Chapter two: **Why single-rail models are no longer enough**



As outlined in the previous chapter, the operating environment for cross-border payments has changed fundamentally, and not because existing payment rails have failed.

SWIFT, domestic clearing systems, card networks, and real-time payment schemes continue to perform highly effectively within the markets and use cases for which they were designed. The challenge is that no single payment rail can provide the global reach, payment-method coverage, and operational flexibility required to support increasingly diverse cross-border payment flows.

ISO 20022 has been adopted by market infrastructures in more than 70 countries, reflecting the rapid evolution of payment ecosystems worldwide.[9] Common standards can make it easier for infrastructures to exchange richer payment data, but standardisation does not by itself make different payment systems interoperable.

As a result, providers increasingly operate across multiple payment infrastructures simultaneously, selecting the most appropriate network according to the destination market, payment method, and transaction requirements. This growing reliance on multiple payment ecosystems is exposing the limitations of single-rail approaches.

The limitations of relying on individual payment rails become particularly apparent as businesses expect payment services to operate continuously across markets and time zones. David Edgar Rego, Global Head of Core and Foundational Payments at Standard Chartered, points to 24/7 availability as one example. As he explains:"You can have speed, cost, and transparency during business hours, but then there's the whole 24/7 aspect. That's becoming more prevalent as businesses increasingly expect cross-border payments to operate continuously."

> ***"The industry's focus is therefore shifting from expanding connectivity to improving interoperability."***

Why more connections do not necessarily create better payments

At first glance, expanding cross-border payment capabilities appears to be a straightforward exercise in adding new connections. As new domestic payment schemes, digital wallets, and real-time payment systems emerge, providers could simply integrate with each network individually. In practice, however, each additional connection increases operational complexity. Providers must maintain additional integrations, manage liquidity across multiple markets and currencies, support differing technical standards, and continually optimise routing decisions based on destination, cost, speed, and availability.

9 *Swift. ISO 20022 Community Readiness Deck. November 2024. Available at: https://www.swift.com/sites/default/files/files/iso-20022-community-readiness-deck_202411_final.pdf (Accessed: 30 July 2026).*

NO SINGLE OPERATIONAL CHALLENGE DOMINATES

Local rail connectivity, regulatory compliance and FX management each rank highest among operational challenges, at

31%

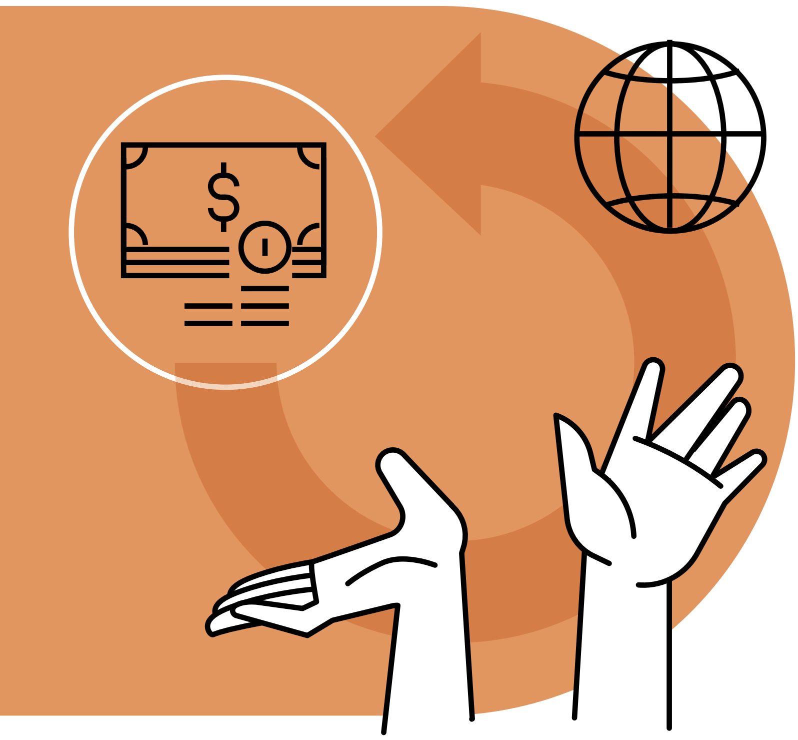
SEVERAL OPERATIONAL CHALLENGES RANK CLOSELY

29%

cite operational complexity, while 27% cite network coverage, close behind the three leading challenges.

In many cases, they must also pre-fund accounts across multiple jurisdictions to ensure payments can settle quickly, tying up capital and increasing the operational cost of supporting international payment flows. As a result, the challenge is no longer connecting to more payment networks but coordinating them efficiently.

When payments professionals were asked which operational issues have the greatest impact on their ability to deliver cross-border payments, no single factor dominated. Connecting to local payment rails, regulatory compliance, and FX management were each cited by 31% of respondents, followed closely by operational complexity at 29% and network coverage at 27%.[10] The narrow spread between these responses is notable: rather than pointing to a single dominant constraint that can be addressed through one network or infrastructure improvement, the findings suggest that providers are managing several interconnected challenges at once. This helps explain why single-rail approaches are increasingly insufficient.



This growing complexity has become a strategic priority across the industry. The G20 Roadmap for Enhancing Cross-border Payments identifies interoperability between payment systems as one of its three core priorities, alongside legal and regulatory frameworks and cross-border data exchange. The Roadmap identifies interoperability as the mechanism for improving how existing payment systems work together, recognising that better coordination between networks will be critical to achieving the G20's targets for 75% of cross-border retail payments and remittances to make funds available to recipients within one hour by the end of 2027.[11]

The distinction is important: adding connectivity does not, by itself, resolve the operational complexity of cross-border payments. Individual networks may perform efficiently in isolation, but providers still need to coordinate how those networks, currencies, regulatory requirements, and partners interact across the complete payment journey.

10 *The Payments Association survey, conducted by Opinium, August 2026. Survey of 75 payments professionals. Respondents could select multiple answers.*

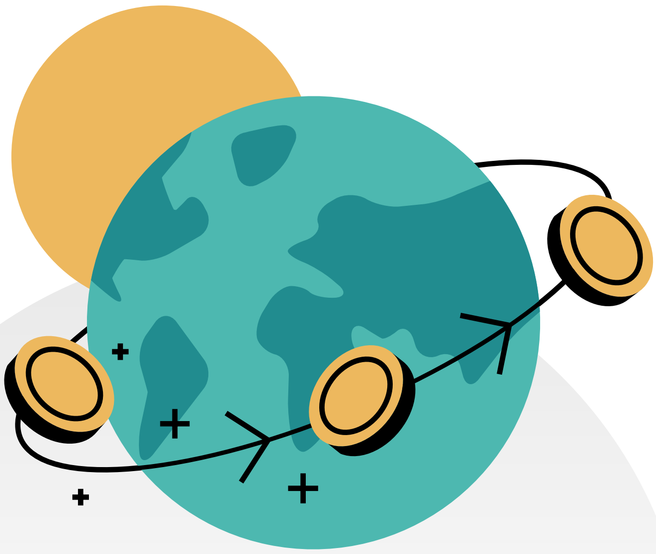
11 *Financial Stability Board, G20 Roadmap for Enhancing Cross-border Payments: Priority Actions for Achieving the G20 Targets, February 2023. Available at: https://www.fsb.org/2023/02/g20-roadmap-for-enhancing-cross-border-payments-priority-actions-for-achieving-the-g20-targets/.*

Orchestrating payments across multiple networks

The optimal route for a payment may vary according to destination, value, processing cost, settlement speed, and the availability of local payment schemes. These factors can involve competing priorities: the fastest route may increase liquidity requirements, while a lower-cost option may involve additional processing steps or different compliance obligations. Orchestrating payments therefore requires providers to balance multiple variables rather than optimise for a single outcome.

For David Edgar Rego, building and maintaining these networks has become a significant operational undertaking. Creating connections across multiple markets can take years, while maintaining them requires providers to manage returned funds, compliance and a range of operational scenarios on an ongoing basis. This complexity is one reason Rego sees the industry moving away from bilateral approaches towards network providers that can offer broader connectivity through a single relationship.

Providers must establish clear operating models that define how payments are routed, how exceptions are managed, and how responsibilities are shared across multiple partners. As payment ecosystems become more interconnected, the effectiveness of these operating models has grown in importance when it comes to delivering consistent cross-border payment services.



Beyond connectivity: enabling interoperability

Significant investment has improved the infrastructure on which cross-border payments depend. Domestic real-time payment systems have expanded rapidly, ISO 20022 has been adopted globally, and initiatives such as SWIFT GPI have improved the speed and transparency of many cross-border transactions.[12] Yet improvements to individual networks do not necessarily improve how those networks work together. Cross-border payments still move between infrastructures with different governance models, technical standards and participation rules, creating complexity at the points where they interact.

The industry's focus is therefore shifting from expanding connectivity to improving interoperability. Rather than selecting payment networks first and designing services around them, providers can begin with the customer or business outcome and determine which combination of payment networks, partners, and capabilities can best deliver it. In this paper, we use "intelligent interoperability" to describe the ability to coordinate those infrastructures and capabilities through a common operating layer, so that routing, validation, compliance, and settlement decisions can be made according to the requirements of each transaction.

The remaining challenge therefore lies less in improving individual payment systems than in enabling them to work together. Instead of managing payment networks as isolated infrastructures, providers are increasingly treating them as components of a single coordinated payments ecosystem. The objective is to simplify how diverse payment infrastructures operate together while reducing the complexity involved in supporting international payment flows.

The next chapter explores how intelligent interoperability is emerging as a practical response to this challenge, enabling organisations to connect diverse payment ecosystems while reducing operational complexity and improving the cross-border payment experience.

12 SWIFT, SWIFTGPI: Driving Faster, More Transparent Cross-Border Payments. Available at: https://www.swift.com/products/swift-gpi (Accessed: 3 August 2026); ISO 20022 Registration Authority, The Registration Authority. Available at: https://www.iso20022.org/registration-authority (Accessed: 3 August 2026).

Chapter three:
Intelligent interoperability in practice

Intelligent interoperability builds on the distinction between connectivity and coordination established in the previous chapter. Rather than simply connecting different payment systems, it enables organisations to manage how those systems work together.

By coordinating payment routing, compliance, settlement, and exception handling across multiple networks, intelligent interoperability allows providers to deliver a consistent payment experience without requiring customers to understand the underlying infrastructure supporting each transaction.

The orchestration layer

In practice, this requires providers to connect payment infrastructures that have traditionally operated as separate systems. Hanif Dharamsi, Global Head & Director of Market Development at Xoom, a PayPal service, describes this as a shift away from building individual payment corridors towards creating a "network of networks", spanning bank rails, real-time payment systems, card networks, mobile wallets, and cash-pickup networks.

The practical challenge is therefore not simply establishing connectivity but managing access to a growing range of payment methods and endpoints without requiring a separate integration for each one. Dharamsi points to Xoom's relationship with Dandelion as an example of this approach. Rather than building and supporting every connection directly, Xoom can use a network to access multiple endpoints through what he describes as a "one-to-many" model.

The objective is to make that underlying infrastructure largely invisible to the customer. As Dharamsi puts it, customers "don't care about payment rails": they want to fund a transaction in the way they choose and allow the recipient to receive it through the method that works for them, whether that is a bank account, mobile wallet or another available endpoint.

The scale of this interoperability challenge is becoming increasingly apparent as domestic payment infrastructures proliferate. The BIS estimates that 88 fast payment systems were operating globally by the end of 2024. Yet, among 54 systems analysed in detail, only 37% could receive cross-border payments and 30% could send them, despite 70% already using ISO 20022.[13] This illustrates an important distinction between standardisation and interoperability: modernising individual payment infrastructures does not necessarily enable them to operate effectively across borders.

Common standards can narrow that gap, but they do not eliminate it. Dharamsi notes that richer data standards such as ISO 20022 make it easier to exchange payment information, while different jurisdictions and endpoints can still require different data. A payment to a bank account, card, or mobile wallet may each carry different information requirements, meaning standardisation still has to be complemented by the ability to accommodate local and network-specific requirements.

Accommodating these differences without requiring a separate bilateral integration for every endpoint is therefore critical. For Cecilia Tamez, Chief Strategy Officer and Head of Data Science for Euronet's Cross-Border Payments Segment, reducing the need for bilateral integrations is central to intelligent interoperability. "It's the ability to orchestrate multiple payment rails through one integration… [with] more dynamic validation and routing."

13 *Bank for International Settlements, Cross-border Payments Interoperability and Extension Task Force, Enhancing Cross-border Payments: Fast Payment System Interlinking, February 2026, pp. 15–16.*

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NO SINGLE CAPABILITY HOLDS THE ANSWER

Priorities span compliance, routing, validation, local methods and orchestration.

Delivering better payment outcomes

For customers, better payment outcomes increasingly depend on more than speed alone. Xoom describes "time to money", or how quickly funds reach the recipient, as a critical measure, but speed must sit alongside trust, competitive pricing, and certainty that the transaction will arrive as expected. Transparency is therefore equally important, including visibility over the exchange rate, fees, expected delivery time, and the progress of the payment.

Delivering against these different expectations requires providers to balance multiple considerations rather than optimise for a single measure. The fastest route may not always offer the lowest cost, while the appropriate payout method can vary depending on market infrastructure and recipient preferences. The objective is therefore not to identify a single 'best' payment route, but to deliver the combination of speed, cost, reliability, and customer experience required for a particular transaction.

The benefits can extend beyond the payment itself. Tamez points to cash-flow management as one example. When businesses cannot predict precisely when an international payment will arrive, or how much will ultimately reach the recipient after intermediary fees, payments may need to be initiated well in advance and subsequently traced or repaired if the expected amount does not arrive. Stronger coordination across payment networks can reduce this uncertainty, giving businesses greater confidence over the timing, cost, and delivery of international payments.

Importantly, these decisions can also be informed by how different networks perform in practice. By monitoring factors such as processing times, failure rates, costs, and availability across different routes, providers can build a more detailed picture of network performance and use that information to inform subsequent transactions. Routing therefore becomes an iterative process, with actual payment outcomes helping to improve future decision-making.

Pre-validation provides another example of how interoperability can improve payment outcomes. David Edgar Rego, Global Head of Core and Foundational Payments at Standard Chartered, notes that checking payment information before processing can reduce payment failures, improve straight-through processing, and limit requests for information caused by missing or incorrect data. However, these capabilities do not operate uniformly across markets, meaning pre-validation remains an important tool rather than a fail-safe solution.

These capabilities are also reflected in the industry's priorities for the next three years. Compliance tools were the most commonly identified capability in our research, cited by 37% of payments professionals, followed by intelligent routing at 33% and pre-validation at 27%. A quarter (25%) selected greater access to local payment methods, while 20% identified orchestration across multiple payment rails.[14] As with the operational challenges identified earlier, no single capability dominates. The findings instead point towards a model in which better cross-border payment outcomes depend on several capabilities working in combination rather than any single technology.

"Intelligent interoperability represents more than a technical solution to fragmented payment infrastructure. It is a way of operating within that fragmentation."

14 The Payments Association survey, conducted by Opinium, August 2026. Survey of 75 payments professionals. Respondents could select multiple answers.

Building intelligent interoperability

Delivering intelligent interoperability depends on more than technology alone. It requires providers to establish governance frameworks that define how responsibilities are shared across payment networks, how operational exceptions are managed, and how service levels are maintained throughout the payment lifecycle. As transactions increasingly pass between multiple organisations, clearly defined roles and consistent operating models become essential to delivering reliable cross-border payment services.

Rego believes this operational clarity is fundamental to successful interoperability: "With any interoperability, there are going to be several players and it's important to be very clear what the role for each of these is and the conditions under which they must operate. As much as that can be sorted out upfront in design, that's what allows for much better scaling and the ability for interoperability."

The importance of defining these responsibilities becomes greater as the number of participants increases. Dharamsi identifies compliance risk as one of the biggest remaining barriers to interoperability at scale. A single cross-border transaction can involve a sender bank, payment provider, foreign-exchange partner, real-time payment network, mobile wallet and recipient institution, creating questions about where responsibility sits for screening, monitoring, reporting, and remediation.

That concern is reflected in our research. Regulatory compliance was cited by 31% of payments professionals as one of the operational challenges having the greatest impact on their ability to deliver cross-border payments.[15] The finding reinforces the distinction between establishing connectivity and making interoperability work reliably in practice: as more networks and participants become involved, compliance responsibilities must be coordinated alongside the payment itself.

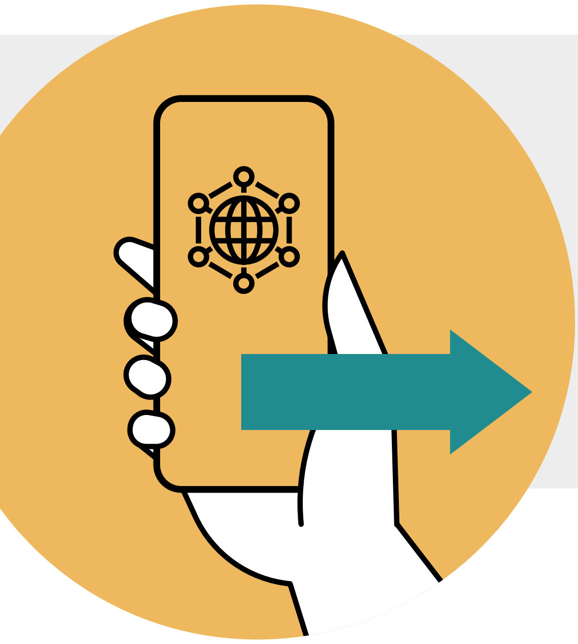
This is increasingly recognised as an industry-wide requirement. The BIS has identified greater alignment of governance and oversight frameworks, including a clear division of responsibilities between scheme owners, technical operators, participants, and public authorities, as essential to supporting the scale and harmonisation required for cross-border interlinking.[16]

For Nicolas del Aguila Bonifaz, Business Development and Strategic Partnerships Manager at Yape, adaptability is equally important when selecting technology partners. "We have to move faster than our customers' needs. Once we decide something needs to be built, we ask [ourselves] who is the best partner to help us achieve it."

Together, clear governance and effective technology partnerships provide organisations with the operational framework needed to reliably coordinate multiple payment ecosystems while responding to changing customer requirements.

Future-proofing cross-border payments

The value of intelligent interoperability extends beyond today's payment ecosystems. As new payment methods, digital assets, and settlement models continue to emerge, providers need operating models that can incorporate new capabilities without disrupting existing operations

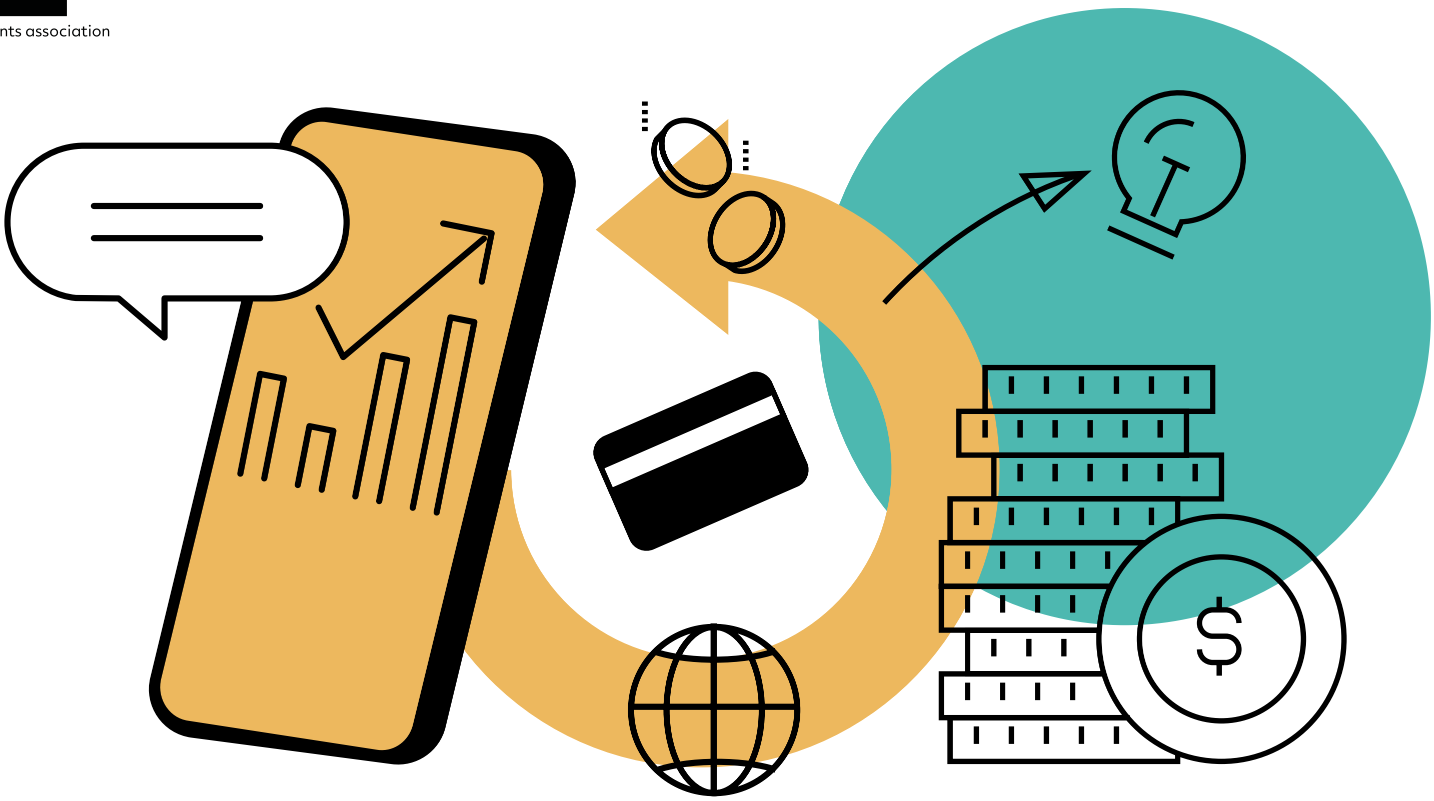


THE CAPABILITIES SHAPING CROSS-BORDER PAYMENT PRIORITIES

- Compliance tools....................**37%**
- Intelligent routing....................**33%**
- Pre-validation **27%**
- Local payment methods **25%**
- Multi-rail orchestration...........**20%**

15 The Payments Association survey, conducted by Opinium, August 2026. Survey of 75 payments professionals. Respondents could select multiple answers.

16 Bank for International Settlements, Cross-border Payments Interoperability and Extension Task Force, Enhancing Cross-border Payments: Fast Payment System Interlinking, February 2026, p. 28.



or requiring fundamental changes to their underlying infrastructure. The orchestration layer provides a way to introduce these capabilities within an established operating model, rather than treating each innovation as a new infrastructure challenge.

Whether supporting new domestic payment schemes, digital wallets or emerging technologies such as stablecoins, interoperability can enable organisations to incorporate new payment ecosystems while preserving existing operational processes.

Open-ended responses to our research point to a similarly diverse future, with payments professionals identifying developments ranging from real-time payments and APIs to AI, automation, and stablecoins as potential influences on cross-border payments over the coming years.

The significance of these emerging technologies lies not only in which ultimately achieve widespread adoption, but in how they may reshape expectations of payment services. Nicolas del Aguila Bonifaz sees stablecoins as one example, particularly in the expectations they create around speed and transparency.

"Stablecoins are providing a way of thinking we haven't seen before. What's going to stay is that they're fast and transparent, and customers are going to expect us to integrate those good parts into whatever we offer."

Rather than requiring organisations to predict which payment technologies will dominate in the future, intelligent interoperability provides the flexibility to incorporate new innovations as they mature, allowing providers to respond to changing market demands while protecting existing investments in payment infrastructure.

Intelligent interoperability as a strategic capability

The direction of travel suggests that the interoperability challenge is unlikely to disappear through consolidation around a handful of universal payment rails. New payment methods and technologies are adding to the range of infrastructures that providers must accommodate rather than replacing them outright.

Dharamsi does not expect the industry to achieve a universal interoperable global network within the next three to five years. Instead, he expects advantage to accrue to providers that can orchestrate effectively across different funding sources, payout methods, and networks as the ecosystem continues to evolve.

Intelligent interoperability therefore represents more than a technical solution to fragmented payment infrastructure. It is a way of operating within that fragmentation, allowing organisations to extend reach, incorporate new capabilities, and deliver a more consistent customer experience without waiting for the global payments landscape to converge around a single model.

Conclusion: **Making fragmentation work**

The future of cross-border payments is unlikely to be defined by the emergence of a single global rail. Instead, greater diversity is emerging through the expansion of real-time payment systems, digital wallets embedded within local financial ecosystems, the continued modernisation of existing networks, and new possibilities for settlement and liquidity enabled by technologies such as stablecoins.

The challenge for payment providers is therefore not to predict which infrastructure will eventually dominate. It is to build the capability to operate effectively across multiple infrastructures at once.

Intelligent interoperability provides a different model. Instead of treating each new rail, payment method, or market as another isolated integration, organisations can coordinate multiple infrastructures within a common operating framework. Routing, validation, compliance, settlement, and exception management can then become parts of the same payment decision rather than separate processes attached to individual networks.

That does not remove complexity. As the interviews in this paper demonstrate, interoperability introduces its own requirements around governance, data, compliance, resilience, and partner responsibilities. Those requirements become more important, not less, as more participants enter the payment chain. The organisations best positioned to succeed will therefore be those able to combine technical connectivity with clear operating models, strong partnerships, and the ability to adapt as payment ecosystems change.

For customers, much of this should remain invisible. They care less about the rail supporting a payment than whether it arrives quickly, predictably, and through the method that works for them. The strategic opportunity for payment providers is to make an increasingly fragmented global infrastructure behave more like a coherent payment experience.

Intelligent interoperability is ultimately about making that fragmentation work. Rather than waiting for the payments landscape to simplify, providers can build the capabilities needed to operate across its complexity, extend their reach, and respond to innovation without continually rebuilding the infrastructure beneath every payment.

About The Payments Association

The Payments Association is the largest community in payments. Founded in the UK in 2008, we now operate communities in the UK, EU and Asia, bringing together over 300 companies across the payments ecosystem.

Our purpose is to empower the most influential community in payments, where connections, collaboration and learning help shape an industry that works for all. We enable our members to advance their commercial interests, address industry and societal challenges, and identify opportunities for innovation and growth.

As an independent representative of the payments industry, we provide a collective voice on the policy, regulatory and market developments shaping its future. We engage closely with government, regulators and key organisations across the payments ecosystem, including HM Treasury, the Bank of England, the FCA, PSR and Pay. UK, helping ensure that the experience and expertise of our members inform policy, regulation and industry decision-making.

Our policy and advocacy work is supported by specialist stakeholder working groups spanning Cross-Border Payments, Digital Currencies, ESG, Financial Crime, Financial Inclusion, Merchant Payments, Open Banking and Regulation. Through these groups, members develop shared positions, respond to consultations and contribute practical expertise at critical moments for the industry.

Payments Intelligence is our dedicated research capability, providing independent research into the trends, technologies, markets and policy developments shaping payments. It draws on data and expertise from across the industry to build a clearer evidence base, deepen understanding of the market and support better-informed decisions across the payments ecosystem.

Alongside our research, we provide a broad programme of industry insight and thought leadership. We publish white papers and other specialist content, and produce podcasts and video interviews that bring together perspectives from leading figures across payments.

We also create opportunities for the industry to connect, collaborate and learn through an extensive programme of events and activities. These include PAY360, Financial Crime 360, our Awards, CEO roundtables, training and member events designed to strengthen relationships and encourage collaboration across the payments ecosystem.

Guided by an independent Advisory Board of leading payments CEOs, we bring together the people, expertise and ideas needed to strengthen the payments ecosystem and help shape its future.

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