



# U.S. Bank and Western Union Make Mobile Remittance Transfers a Reality

18 September 2013 By: Aleia Van Dyke

Yesterday, U.S. Bank and Western Union [announced](#) some great news for mobile money transfers: U.S. Bank is now expanding the Western Union Money Transfer service to its online banking and mobile banking platforms. [U.S. Bank](#) customers have been able to initiate [Western Union](#) transfers at the branch since 2009, but this is the first time in the United States that Western Union's remittance transfer service will be directly integrated within a mobile banking app.

This new development is huge for both U.S. Bank and Western Union, as it allows U.S. Bank to directly compete with the up-and-coming digital remittance players (such as [Xoom](#) or [Remitly](#)) and provides an excellent revenue opportunity for both players. As Javelin's newest research report, [International Remittance Transfers: How to Tap \\$2.1B in Cross-Border Revenue](#), pointed out, the revenue collected from remittance transfer fees was a whopping \$1.55B in 2012 and providers have the opportunity to rake in an additional \$0.57B by expanding digital remittance services.

This announcement comes at a time when the remittance transfer market is going a major makeover. New regulations have led many banks to discontinue their remittance services and have pushed others to rethink offering what is now considered "risky" services. [HSBC is just one example of this emerging trend](#). Last year, HSBC was fined \$1.9B by the U.S. government for facilitating illegal transfers and money laundering to volatile countries, including Mexico, Colombia, Iran, Libya, Sudan, and Myanmar. The bank has since adopted an ultra-conservative strategy that includes increased vetting of potentially-problematic businesses, discontinuing services that are too expensive to maintain heightened customer vetting, and closing its doors to high-risk countries.

Tightened regulations have helped maintain accountability for cross-border transfers, but the regulations have also caused new investments within the market to stall. U.S. Bank's expanded service will help fill a void in the bank-supported remittance market, and could pave the way for other banks to begin rolling out mobile remittance transfers. U.S. Bank customers will be able to send money to friends and family in over 200 countries and territories, with the mobile capabilities already available to eligible U.S. Bank customers and online Western Union transfers soon to follow.

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