

Andrew Bailey: Reforming cross-border payments

Speech by Mr Andrew Bailey, Governor of the Bank of England, at the Financial Stability Board (FSB) Payments Summit, hosted by the Bank of England, London, 12 March 2026.

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Good morning and welcome to the Bank of England. It is our pleasure to host this important event. This is the third Financial Stability Board (FSB) Payments Summit, but the first to be held in person. As Chair of the FSB, can I thank you for joining us. I think it is very much the right time to meet in person as we have reached an important point in this critical work.

I have two goals in mind for today. First, to recognise the very good work that has taken place over the last few years. Second, to start to firm up what more we need to do to achieve the G20's goals on cross-border payments¹. And, by "we" I mean the private sector as well as the public authorities and international bodies. Moreover, as a spoiler, and I am going to be quite clear and honest, we have some tough challenges ahead. They are ones that we must take on because they are so important, not just to the financial system but for billions of people around the world – indeed, in all parts of the world. There are few issues in our responsibilities that have as universal a reach as cross-border payments.

For as long as I can remember – and I have been here at the Bank over 40 years – it has been said that cross-border payments are slow, expensive and inefficient. While this is not universally true – some cross-border payments are very efficient – there can be no doubt that, overall, cross-border payments are slow and expensive, especially when compared to increasingly effective domestic payments. So, when I became Chair of the FSB last year, I identified cross-border payments as a continuing key priority. To be clear, what I mean by "continuing" is that we are not stopping until the job is done. Moreover, I added that there are several big reasons why the issue is important. One of those is that frictions in international payments have the potential to act as a driver of fragmentation of the global system, and this can ultimately reduce the system's ability to absorb shocks and support sustainable economic growth. Another reason is that when I am asked to describe what we do at the Bank of England, I usually start by saying that we are in the money business. Money is the common factor in the things we do. Well, payments are a core function of money, so they are central to our interests.

With all of this in mind, the state of affairs on cross-border payments leaves me with three big, framing questions. Why is it proving to be so challenging? Are the problems insurmountable (this is something I seriously doubt, but it has to be asked)? And what are the root causes of the remaining problems?

Now, I do not want to come across as negative on what has been done so far. Quite the opposite. I am hugely positive about the work done and want to praise everyone involved. You have changed things for the better. Rather, I think the reality is that in doing this excellent work, you have uncovered more issues that need tackling. Again, well done, this needed doing. But, we can't stop here. Today is about focusing on the

remaining challenges and starting to identify the steps we – public authorities and the private sector – need to take to finish the job of making a genuine difference to the user experiences of cross-border payments.

In taking stock, it's worth going back to the creation of the G20 Roadmap, which was launched in October 2020. It brought together many official bodies – domestic and international – and the private sector to energise the case for reforming and enhancing cross-border payments. To quote from the launch material, it set the objective of:

"Faster, cheaper, more transparent and more inclusive cross-border payment services, including remittances, while maintaining their safety and security, would have widespread benefits for citizens and economies worldwide, supporting economic growth, international trade, global development and financial inclusion."

Nothing has changed, in that these remain our objectives. But the world has changed since 2020, far more than the architects of the Roadmap could have imagined. The geopolitical landscape looks different and technological innovation has accelerated. Both of these developments serve to emphasise the importance of achieving reform of cross-border payments while maintaining and enhancing their safety and security. The emphasis on safety and security also serves as a reminder that, sadly, developments since 2020 underline the increasing sophistication of threats from criminal actors. On this point, I welcome the US G20 Presidency's prioritisation of work on cross-border payments fraud. In the FSB, we look forward to continuing to work with the Financial Action Task Force on these issues.

Over five years on from the launch of the Roadmap, most of the priority actions identified have been completed. We can point to real wins: ISO 20022 harmonised requirements² (which smooths the flow of cross-border payments through more consistent transaction data); extending RTGS (Real Time Gross Settlement) operating hours to increase time zone overlaps (so that we're open for business at the same time and can settle payments more quickly); and FATF's revision of standards for the information that must accompany a cross-border payment for Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) purposes (to ensure that these rules take account of developments in technology).

And we have seen some progress in the results of the most recent cross-border payments monitoring survey, published by the CPMI (Committee on Payments and Market Infrastructure) in December. That report shows that over half of jurisdictions are already operating with extended RTGS operating hours, or actively planning or considering an extension – a notable increase from the previous survey. More than three quarters of faster payment systems covered by the survey, and approaching half of RTGS systems, are now using ISO 20022. If the payment systems that are considering or planning on aligning with the CPMI's harmonised ISO 20022 data requirements follow through with their plans, around two thirds of FPS (Faster Payment Systems) and RTGS systems could align with the requirements in the next few years – a huge step forward from where we were. Certain regions – in particular Asia-Pacific – have driven forward initiatives to interlink faster payment systems. Together interlinking arrangements cover around 17 bilateral corridors, with more links planned to go live. I want to particularly thank the CPMI for leading important parts of the work.

The bottom line then is that much of what we set out to do in terms of producing guidance and recommendations for upgrading payments systems and harmonising standards has been done at the international level. But more needs to be done now to implement. This is echoed in some tough messages from the monitoring survey. For example, only around one third of jurisdictions have implemented or reformed data privacy legislation or frameworks that may help mitigate data-related frictions in cross-border payments. There remains patchy adoption of Legal Entity Identifiers (LEIs), which would benefit cross-border payments by strengthening data standardisation and assisting KYC (know your customer) and sanctions screening. More importantly, the data show limited improvement to date in cross-border payments for end users.

In total then, while we have done a lot at the international level, ultimately we are far from reaching the targets the G20 set for 2027.

To come back to one of my key questions, does this mean the challenges are insurmountable? No, definitely not. To some degree, we can explain that the benefits of what has been done to date will take time to materialise. But that is not the full picture. The reality is that there is more we need to do to spur further action to tackle the remaining sources of friction in cross-border payments. As I said earlier, the great work done to date has revealed more issues, and so there is a gap between aspiration and achievement to date.

We stand therefore at a critical point. Over the coming year, we need to intensify efforts to drive the implementation of agreed guidance and recommendations as part of efforts to meet the G20 goals, and not just across the G20 but much more widely. I feel strongly about this as FSB Chair and have an eye towards the UK's G20 Presidency next year as well.

Now, if you are a film buff, you may be worried that in setting this out, I am going to make the rest of my remarks in the style of the quite famous speech by Al Pacino in "Any Given Sunday". If you aren't familiar with it, look it up, it's a classic.

I'm not going to do that – I will be more polite! More to the point, I am going to set out the key areas of focus. Critically, this involves international organisations, domestic public bodies (not just central banks) and the private sector. There are four important elements.

First, we are announcing today that the public sector should develop:

- Jurisdiction Action Plans - as a tool to support domestic implementation of international recommendations and guidance. Improving domestic payment infrastructure, in the widest sense, is critical for enhancing cross-border payments, as the first and last mile rely on domestic rails.
- Regional Action Plans - different regions started from different baseline conditions and are progressing along diverse paths and at varying paces. But more can be done to support implementation at a regional level and we have already seen some advancements in payment systems interoperability and extensions at the regional level, including by fostering regional integration. This includes working

with the World Bank and IMF to ensure Technical Assistance programmes deliver – this is critical to ensuring greater take up of the recommendations and tackling frictions in the domestic leg of cross-border payments.

- A review of implementation of FSB recommendations on data frameworks and bank and non-bank regulation and supervision, which will take place early in 2027.

Second, we need to emphasise further innovation and infrastructure development. This should build on the adoption of ISO and APIs (Application Programming Interface) and the extension of RTGS operating hours. It could be public or private sector infrastructure. And the infrastructure upgrades which give us biggest 'bang for our buck' may be different across retail and wholesale systems. Most important, we need to make sure that the benefits of digital technology are incorporated into payment systems. Again, we should start by being open to how this is done, but respecting the central principles of what is money. And that includes thinking about what role there could be for new innovations in digital payments in helping us to reach the Roadmap's goals. I do not take a position on that, but I think it makes sense to include it in our analysis.

Third, we need to reduce regulatory compliance costs but without diluting standards. Work on the Roadmap has identified multiple sources of regulatory frictions in cross-border payments and started to address some of them. But further work could usefully help us (authorities) determine the extent to which these frictions are warranted or where the same objectives can be achieved more efficiently, for example through greater consistency across jurisdictions or by deploying new technology. BIS Innovation Hub experiments like Project Mandala³ show this is a real possibility. I am sure technology can be put to work to help us.

Fourth, we need strong commitment and collective action from the private sector. We have had a lot of important insights and recommendations from industry on technical and regulatory issues, for which I am very grateful. What we need now is practical and coordinated action. There are plenty of live examples of innovation in both retail and wholesale cross-border payments, including initiatives by firms represented here today. They are very welcome and we will hear more about some of these later. The question is whether they are enough or are there actions that industry could take today, including individually, to move us towards the goals of addressing cost and transparency, for example? My sense is that there are things that can be done now by firms, but some form of collective action will also be necessary to move the dial on cross-border payments from the perspective of end users.

Now, we need to work together closely to deliver improvements. A closer public-private partnership to guide the next steps will ensure that as we move forward, we focus on the right issues, prioritise what matters most, and identify deliverable actions for the private sector as well as public authorities and international bodies. Ultimately, leadership from the private sector is critical to unlocking progress to deliver cheaper, faster, more inclusive and more transparent cross-border payments.

That's why I'm particularly pleased that both Swift and the Institute of International Finance (IIF) are here today. Their respective memberships are critical players in the work we need to do to enhance cross-border payments and we will hear from both on important initiatives they are planning.

To conclude, and return to my key questions. We have made a lot of progress, but have found there is more to be done. That's frustrating, but we must take the challenge on. We can't say "job done". It isn't. I don't believe the remaining challenges are insurmountable. In this day and age with the technology we have and will be getting, that would be an extraordinary conclusion. There isn't a quick win either. Nor do I think we have reached the point where we have to consider trade-offs, for instance between cost and speed.

We have plans, ambitious ones. They are not going to be easy, let's be honest about that. But let's always remember, by working together we can benefit, literally, billions of people, including many on low incomes who deserve better from payment services.

Thank you for being part of this important work.

I would like to thank Paul Bedford, Richard Lomas, Francine Robb and Catherine Breen for their help in drafting these remarks. I would also like to thank Sarah Breeden, James Talbot, Victoria Cleland, Zertasha Malik, Zara Ellis and Mike Hatchett for their comments.

[1 FSB delivers a roadmap to enhance cross-border payments - Financial Stability Board](#)
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[2 Harmonised ISO 20022 data requirements for enhancing cross-border payments – updated report](#)
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[3 Project Mandala: shaping the future of cross-border payments compliance](#)
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