

Coinbase eyes challenge to Western Union with crypto remittances

February 17 2022, by Olga Kharif



Credit: CC0 Public Domain

Coinbase Global Inc., the biggest U.S. cryptocurrency exchange, is wading into the international money-transfer business, seeking to tap into a huge market dominated by firms like Western Union Co.

Coinbase said it has launched a free pilot program for sending crypto funds to friends and family in Mexico. Receivers can convert the tokens into pesos at participating locations across the country or invest the funds into a Coinbase account. The service will become fee-based after March 31.

Coinbase didn't disclose the cost but said in a blog post it will be "still 25-50% cheaper" than traditional cross-border transfers.

"We recognize this is a global issue. And while we're starting in Mexico, over time we'll consider other regions where customers face similar challenges," Coinbase said in the blog post.

The push into remittances is part of Coinbase's strategy to diversify its revenue amid a rocky period for cryptocurrencies that has sent trading volumes on exchanges plummeting. Coinbase is working to launch a marketplace for non-fungible tokens and is rolling out additional services in the area of decentralized finance.

The global-remittances market reached about \$700 billion in 2020 and is expected to grow to \$1.2 trillion by 2030, according to Allied Market Research.

Last year, Facebook's parent, Meta Platforms Inc., began piloting a program for sending remittances from the U.S. to Guatemala using its cryptocurrency digital wallet.

For the Mexican venture, Coinbase said it partnered with Remitly, which has relationships with more than 37,000 [retail outlets](#), including Bansefi, BanCoppel, Oxxo, Soriana and Telecomm Telegrafos.

©2022 Bloomberg L.P.

Distributed by Tribune Content Agency, LLC.

Citation: Coinbase eyes challenge to Western Union with crypto remittances (2022, February 17)
retrieved 19 April 2024 from
<https://techxplore.com/news/2022-02-coinbase-eyes-western-union-crypto.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.