



REPORT | Costs of cross-border payments in the Nordics
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Costs of cross-border payments in the Nordics

The Nordics have close economic ties. For households, though, making payments between the Nordic countries is costly compared to domestic payments and payments in the euro area. This report examines households' costs of cross-border payments in the Nordics and discusses possible market developments and policy measures that may lower these costs.

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Bank transfers in euro across the Nordics are often cheaper than transfers in Nordic currencies

This also holds where neither country has adopted the euro and a euro transfer requires a currency conversion at both ends. The reason is the EU Cross-Border Payments Regulation (CBPR), which limits fees on transfers in euro.

Banks' FX mark-ups on cross-border card payments differ across the Nordic countries

Mark-ups are relatively low in Denmark, following an intervention by the Danish Competition Authority (subject to ongoing court proceedings). Within each country, banks' FX mark-ups tend to cluster around a certain level.

Competition from neobanks and increased transparency may contribute to lower costs

Improvements in the cross-border payments infrastructure like TIPS cross-currency can also reduce costs. Costs may also be addressed through regulation such as the CBPR, although this falls outside of central banks' remits.

Summary

This report examines households' costs of making bank transfers and card payments across the Nordics. Despite the countries' close economic ties, such payments remain costly, compared with both domestic payments and payments in the euro area.

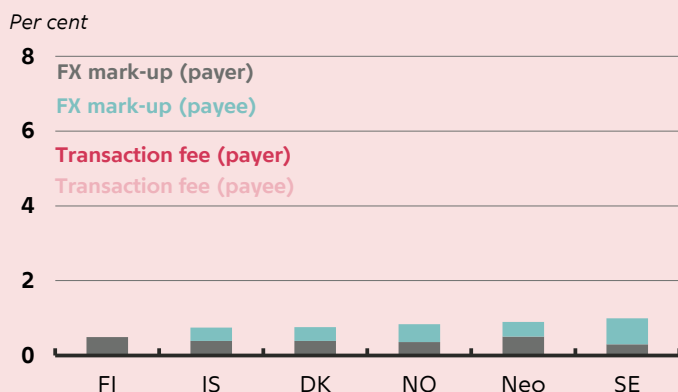
For intra-Nordic bank transfers, households' costs depend on the currency. Transfers between two Nordic countries are typically cheaper when denominated in euro, even when neither country has adopted the euro and currencies need to be converted twice. Such transfers generally cost less than 1 per cent of a EUR 200 transfer, see Chart S.1. By contrast, an otherwise equivalent transfer in a Nordic currency typically costs between 4 and 7 per cent, see Chart S.2.

The difference in costs largely reflects the 'fee-equality principle', which pertains to transfers in euro. The principle requires charges for cross-border bank transfers in euro to be aligned with those for corresponding domestic transfers and follows from the EU Cross-Border Payments Regulation (CBPR). No similar framework exists for the Nordic currencies. Sweden has, however, opted to apply the principle to its national currency, which mostly affects fees on incoming transfers to Sweden in Swedish kronor.

CHART S.1

For bank transfers in euro, total payer and payee costs are relatively low ...

Payer and payee's total costs for a transfer of EUR 200



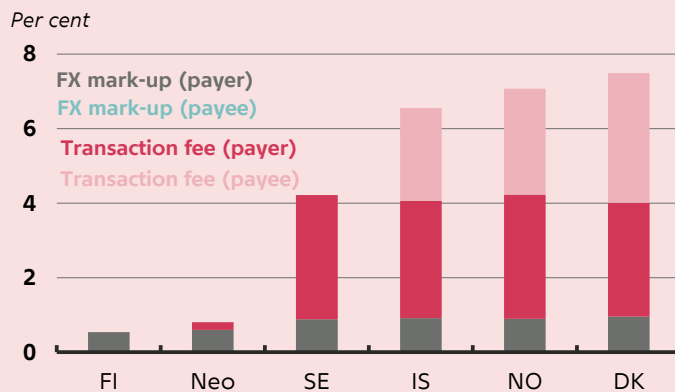
Note: For each country, the chart shows the average costs of receiving an intra-Nordic bank transfer and the average costs of sending an intra-Nordic bank transfer from the perspective of the other Nordic countries. For a transfer in euro, neither the payer's nor the payee's bank charges a transaction fee due to the fee-equality principle. For Finland, receiving a transfer in euro does not involve a currency conversion, i.e. the FX mark-up for the payee is zero. 'Neo' shows the total average costs for the payer and payee of an intra-Nordic transfer in euro using neobanks.

Source: Own calculations based on publicly available information from the sample of banks that are used for this report, see footnote 6.

CHART S.2

... compared to bank transfers in Nordic currencies

Payer and payee's total costs for a transfer of the equivalent of EUR 200 in a Nordic currency



Note: For each country (e.g. Norway), the chart shows the average costs of receiving an intra-Nordic bank transfer in domestic currency (Norwegian kroner) and the average costs of sending a bank transfer in the same currency (Norwegian kroner). 'Neo' shows the total average costs for the payer and payee of an intra-Nordic transfer across the Nordic currencies using neobanks.

Source: Own calculations based on publicly available information from the sample of banks that are used for this report, see footnote 6.

For card payments at retailers in other Nordic countries, households' costs consist largely of FX costs. These costs differ across the Nordics. For Danish households (cardholders), FX costs range between ½ and 1½ per cent, depending on the currency, see Chart S.3. In the other Nordic countries, they vary between 2 and roughly 3 per cent, see Chart S.4. The lower costs in Denmark follow an intervention by the Danish Competition Authority in 2022 (subsequently challenged in court, where a decision is still pending).

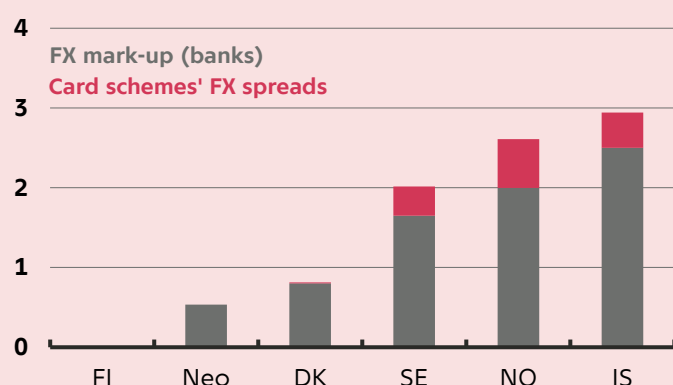
The largest component of households' FX costs from card payments is the issuing bank's mark-up on the exchange rate. Such mark-ups may cover banks' higher costs of card payments abroad compared with domestic payments. They may arise from such factors as higher processing fees to Visa and Mastercard, more fraud and customer requests as well as additional compliance requirements. As a general rule, the card scheme carries out the currency conversion and bears the FX risks during processing.

CHART S.3

Danish cardholders face lower costs for payments in euro ...

Cardholder's FX costs for payments in euro

Per cent



Note: The chart shows a cardholder's total FX costs for a payment in euro, i.e. the sum of the issuing bank's FX mark-up and the costs implied by the card scheme's FX spread (see Section 3). For Finland, the cost is zero as no currency conversion is involved. "Neo" shows the average FX costs for neobanks as card issuers.

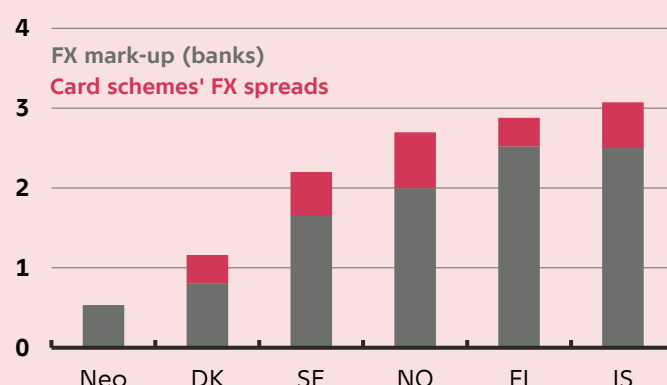
Source: Own calculations based on publicly available information from the sample of banks that are used for this report, see footnote 6, and Visa's and Mastercard's respective currency-conversion tools.

CHART S.4

... and in Nordic currencies

Cardholder's FX costs for payments in Nordic currencies

Per cent



Note: The chart shows a cardholder's total FX costs for payments in an average of Nordic currencies, i.e. the sum of the issuing bank's FX mark-up and the costs implied by the card scheme's FX spreads (see Section 3). "Neo" shows the average FX costs for neobanks as card issuers.

Source: Own calculations based on publicly available information from the sample of banks that are used for this report, see footnote 6, and Visa's and Mastercard's respective currency-conversion tools.

In general, neobanks offer cross-border payments at lower costs than traditional banks, see Charts S.1-S.4. This suggests that neobanks over time may put pressure on fees and FX mark-ups on bank transfers and card payments abroad. Improvements to the infrastructure for cross-border payments (such as the TIPS-cross-currency service) could also lead to lower costs. Moreover, costs may be reduced through regulation (e.g. a broadening of the scope of the CBPR), although such measures fall outside the central banks' remit.

01

Introduction¹

Despite the Nordic countries' high degree of integration, cross-border payments in the region are subject to the same inefficiencies as globally. This report focuses on households' costs of bank transfers and card payments across the Nordics.

1.1 Background

The Nordic countries are usually regarded as a closely integrated region. We are large trading partners; in certain border areas, we live in one country and work in another; we own residences and spend holidays across the border; etc. While part of this may stem from our common history and cultural similarities, the close economic ties have persisted despite the countervailing effects of increased globalisation.

However, payments across the region are often described as costly, slow and opaque, similar to cross-border payments globally.² This contrasts with the widespread view that domestic payments function efficiently, supported by the high degree of digitalisation among Nordic citizens.³ It also differs from developments in the euro area, where domestic and cross-border payments have converged in many respects.

The Nordic central banks are all mandated to promote safe and efficient payments. Internationally, cross-border payments have lately gained increased attention and is now subject to a major work program coordinated by the Financial Stability Board.⁴ For the Nordic central banks, understanding the inefficiencies of cross-border payments in the Nordic region and exploring ways to address them are natural priorities.

1.2 Purpose, scope and structure

This report focuses on the costs of making cross-border payments in the Nordic region. These costs primarily consist of transaction fees and foreign exchange (FX) costs.⁵ Moreover, we concentrate on *households'* payments and costs. This allows us to rely on publicly available information on fees and FX mark-ups, which are usually non-negotiable, as opposed to terms and conditions for businesses.

The report is structured as follows: Section 2 covers bank transfers, which are typically used for person-to-person payments and bill payments. Section 3 analyses card payments, which are the predominant payment method at

¹ The authors would like to thank colleagues at the Nordic central banks for their valuable assistance in preparing this report. Special thanks go to Jenni Liikanen and Pasi Miettinen, Suomen Pankki, and Fredrik Rydbeck, Sveriges Riksbank, who participated in the working group, and to Ditte Johanne Jensen and Lasse Holm Hélinck, Danmarks Nationalbank, and Nathalie Samuelsen, Kevin Bugler and Kristoffer Hov Grønlie, Norges Bank.

² See e.g. Nordic Council, *Mot en mer integrerad nordisk banksektor* (in Swedish, only), 5 November 2025 ([link](#)).

³ See Nordic central banks, *Payment in the Nordics*, 11 December 2025 ([link](#)).

⁴ For a description of the global work to improve cross-border payments, see the Financial Stability Board's website ([link](#)).

⁵ The analysis excludes periodic fees, such as annual account fees and card fees, since these are generally not linked to individual cross-border payments. For neobanks, however, such fees are included for larger transfers, where relevant.

retailers. Finally, Section 4 briefly concludes and discusses possible market developments and policy measures that could lower the costs of cross-border payments in the Nordics.

The analysis is mainly based on pricing information available on banks' websites. The sample comprises five (three in Iceland) major banks in each country, together with three neobanks operating across the region.⁶ Hence, while the data cannot be taken as the exact average costs for banks' customers in each country, they provide a fairly accurate picture of households' costs of making cross-border payments in the Nordic region.

⁶ The sample includes the following banks: in *Denmark*, AL Sydbank, Danske Bank, Jyske Bank, Nordea and Nykredit; in *Finland*, Aktia, Danske Bank, Nordea, OP Pankki and S-Bank; in *Iceland*, Arion banki, Íslandsbanki and Landsbankinn; in *Norway*, DNB, Handelsbanken, Nordea, Sparebanken Norge and SpareBank 1 Sør-Norge; and in *Sweden*, Danske Bank, Handelsbanken, Nordea, SEB, and Swedbank. The neobanks included are Lunar, Revolut and Wise.

02

Cross-border bank transfers

Cross-border bank transfers in the Nordics entail transaction fees and FX costs. Bank transfers in Nordic currencies are more costly than transfers in euro, even between countries that do not have the euro as their national currency, which is largely due to European legislation.

2.1 Cross-border bank transfer charges

In a cross-border bank transfer, funds are moved from an account in one country to an account in another through the banking system.⁷ In the Nordic countries, such transfers typically involve a currency conversion and may include one or more intermediaries.

The costs of a cross-border bank transfer can be divided into three main components:

- The payer may incur a transaction fee charged by the sending bank. This fee is typically fixed, i.e. it does not depend on the amount transferred.
- The payee may incur a transaction fee charged by the receiving bank. This fee is also usually fixed.
- The sending or receiving bank may charge a mark-up on the exchange rate, depending on whether the transfer is made in the payee's or payer's currency, respectively.⁸

EU legislation requires banks to provide customers with clear and detailed information on these cost components.⁹ In the Nordic countries, most banks disclose transaction fees and FX mark-ups for cross-border transfers on their websites.

2.2 The payer's costs

The payer's costs for bank transfers across the Nordics (i.e. intra-Nordic bank transfers) vary depending on the currencies involved, see Chart 2.1.¹⁰ Cross-border transfers in euro are generally associated with costs below 1 per cent for a transfer worth EUR 200. By contrast, transfers in Nordic currencies exhibit greater variation and higher costs. For a transfer equivalent to EUR 200, costs range between around 2 and 7 per cent.¹¹

⁷ The analysis focuses on credit transfers initiated through the payer's internet or mobile banking application. Direct debits, which are bank transfers initiated by the payee, are of limited relevance in a cross-border context.

⁸ FX mark-ups on bank transfers may vary over time in response to changes in market conditions. There are no indications that the mark-ups used for this report are higher than usual due to volatile FX markets.

⁹ This is mainly regulated in the second version of the Payment Service Directive, i.e. Directive (EU) 2015/2366 on payment services in the internal market (PSD2), Title III.

¹⁰ Euro-denominated transfers do not generally require accounts in euro, as banks typically allow cross-border transfers in foreign currency from accounts held in national currency. For example, a transfer may be initiated in euro even if the payer's account is in Danish kroner and the payee's account is in Swedish kronor. From the payer's perspective, making a euro transfer to a non-euro area country is in general no different from making a euro transfer to, say, Germany (although two currency conversions may make it difficult to transfer an exact amount to the payee).

¹¹ A transfer of EUR 200 is broadly in line with the international benchmark of USD 200 used for e.g. the G20 targets for cross-border payments, see Box 4.1. Larger transfer amounts are considered later in the section.

The relatively low costs of intra-Nordic transfers in euro largely reflect the regulatory framework. Under the EU Cross-Border Payments Regulation (CBPR), charges for cross-border payments in euro must not exceed those for corresponding domestic payments, a requirement often referred to as the fee-equality principle (see Box 2.1). This requirement applies across the entire EEA, including all the Nordic countries.

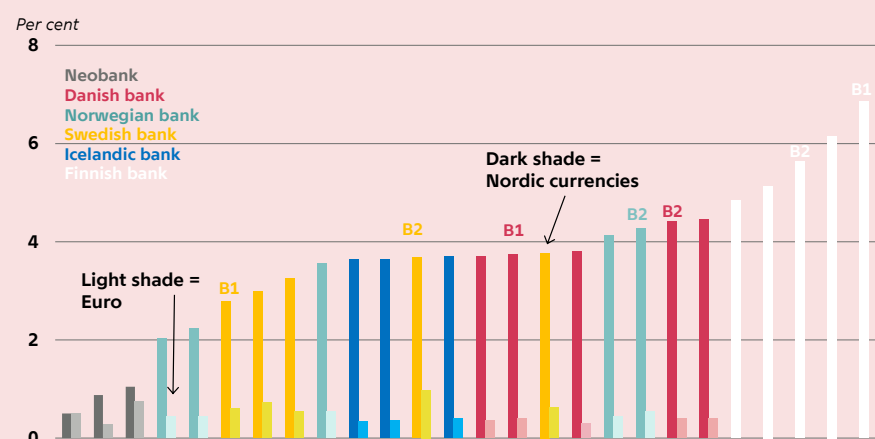
As fees for domestic payments are usually low (if not zero), fees for intra-Nordic transfers in euro are also generally low. The FX mark-up therefore constitutes the main cost component of such transfers. The mark-up varies across banks and countries. In Finland, there is no currency conversion, and transfers in euro are typically free of charge for the payer. Payers' costs of transfers in euro are highest in Sweden, ranging between ½ and 1 per cent.

By contrast, the fee-equality provision of the CBPR does not apply to transfers in Nordic currencies. As a result, both transaction fees and banks' FX mark-ups contribute to total costs, resulting in higher and more varied costs, ranging from less than 1 per cent to around 7 per cent for a transfer equivalent to EUR 200 (a breakdown of total costs on transaction fees and FX mark-ups are presented in more detail below).

CHART 2.1

The payer's costs for an intra-Nordic bank transfer are lower when denominated in euro rather than in a Nordic currency

Payer's total costs for an intra-Nordic bank transfer of EUR 200 (or the equivalent in a Nordic currency), by bank



Note: Total costs include transaction fees and FX mark-ups. B1 and B2 denote observations for the same bank in different countries. For neobanks, costs refer to a transfer to an external account. For Norwegian, Swedish, Icelandic and Finnish banks, the transfer in a Nordic currency is assumed to be in Danish kroner (i.e. to a payee in Denmark), while for Danish banks and neobanks, the similar transfer is supposed to be in Swedish kronor (i.e. to a payee in Sweden). These assumptions do not materially affect the results.

Source: Own calculations based on publicly available information from the sample banks, see footnote 6.

Costs also vary across countries, including within banking groups operating in multiple countries, as illustrated by B1 and B2 (two individual banks) in Chart 2.1. Moreover, while cross-border transfers in euro are typically free of charge in

Finland (due to the fee-equality principle), the Finnish banks in the sample charge the highest costs for transfers initiated in Nordic currencies.

The relatively high costs of transfers in Nordic currencies have some notable consequences. For example, it is often cheaper to transfer funds in euro between, say, Norway and Denmark than to make the same transfer in Norwegian or Danish kroner. This holds even though a transfer in euro entails an additional currency conversion. This is discussed in more detail below, where the payee's costs are also taken into account.

Neobanks often specialize in cross-border payments. Overall, the three neobanks in the sample offer bank transfers across the Nordics at lower costs than traditional banks. Whether these price differences mainly reflect lower operating costs, lower profit mark-ups for neobanks or cross-subsidization by traditional banks cannot be determined from the data presented here.

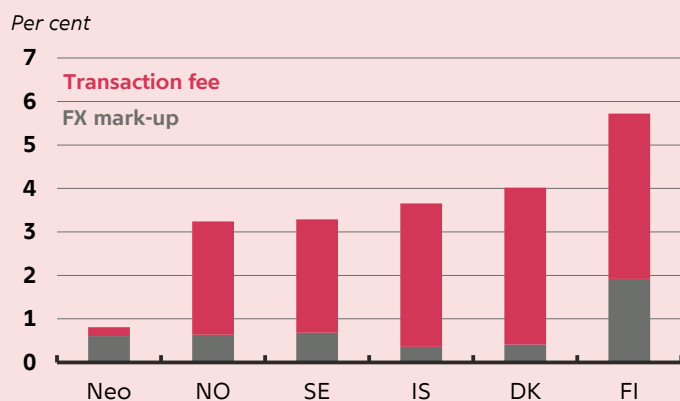
The importance of FX mark-ups increases with transfer size

Transaction fees are typically fixed regardless of the size of the transfer, whereas FX mark-ups are charged as a percentage of the transferred amount. Consequently, total costs expressed as a percentage of the amount transferred tend to decline as the value of the transfer increases, see Charts 2.2 and 2.3.

CHART 2.2

Transaction fees account for a relatively larger share of total costs for smaller intra-Nordic transfers ...

Payer's total costs for an intra-Nordic bank transfer of EUR 200 or the equivalent in a Nordic currency



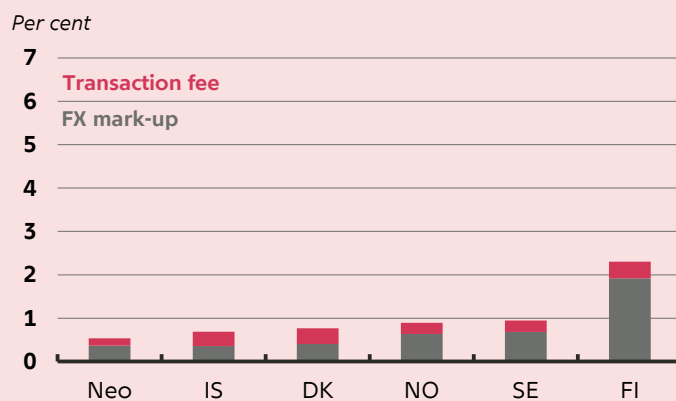
Note: See note to Chart 2.1

Source: Own calculations based on publicly available information from the sample banks, see footnote 6.

CHART 2.3

... while FX mark-ups account for a larger share of total costs for higher-value transfers

Payer's total costs for a cross-border transfer of EUR 2,000 or the equivalent in a Nordic currency



Note: See note to Chart 2.1.

Source: Own calculations based on publicly available information from the sample banks, see footnote 6.

Transfer size also affects the relative cost levels across banks. For smaller transfers, neobanks and banks in Norway and Sweden tend to charge less than the other banks in the sample. For larger transfers, Danish and Icelandic banks are the least costly. This partly reflects differences in pricing structures. Danish and Icelandic banks generally apply lower FX mark-ups, whereas Swedish and Norwegian banks charge lower transaction fees.

By contrast, the Finnish banks in the sample typically combine a relatively high FX mark-up with a relatively large transaction fees for transfers in Nordic

currencies. As a result, Finnish banks' charges tend to be higher across all transfer sizes. An exception is intra-Nordic bank transfers denominated in euro, for which charges are typically lower (zero, in practice), as shown in Chart 2.1.

BOX 2.1

Fees for cross-border bank transfers are regulated at European level

The first EU regulation on cross-border payments was adopted in 2001. It established the principle that fees for bank transfers in euro between countries within the EEA must not exceed those for comparable domestic transfers in euro. The regulation contributed to a more integrated European payment market and to the establishment of the Single Euro Payments Area (SEPA).

In 2019, the scope of the regulation was extended to allow citizens in non-euro area EEA countries to benefit from the efficient payment infrastructure for euro payments. This was achieved by prohibiting banks in these countries from charging higher fees for cross-border transfers in euro than for comparable domestic transfers in their own currency. As the fees for domestic transfers are often low (if not zero), the same would apply for cross-border transfers in euro.

The regulation includes an 'opt-in clause' allowing non-euro area countries to extend the fee-equality principle to their own currency. Sweden has activated this provision, meaning that cross-border bank transfers in Swedish kronor are subject to the same rules as transfers in euro. Hence, a Swedish bank may not charge a higher fee for a cross-border transfer in Swedish kronor, outgoing or incoming, than for a comparable domestic payment.

Under EU law, the fee-equality principle applies automatically to euro payments throughout the EEA. By contrast, its application to national currencies is voluntary and requires a formal decision by the relevant country. Furthermore, the opt-in does not imply reciprocity across the EU, i.e. the decision only affects banks in the country that has opted in (that is, the Swedish decision to opt-in has no implications for banks in, e.g., Denmark).

The 2019 revision of the CBPR also included a review clause requiring an assessment of whether the scope of the regulation should be extended to non-euro EU/EEA currencies. Such an extension would, in practice, make the fee-equality principle applicable to the Nordic currencies.

2.3 The payee's costs

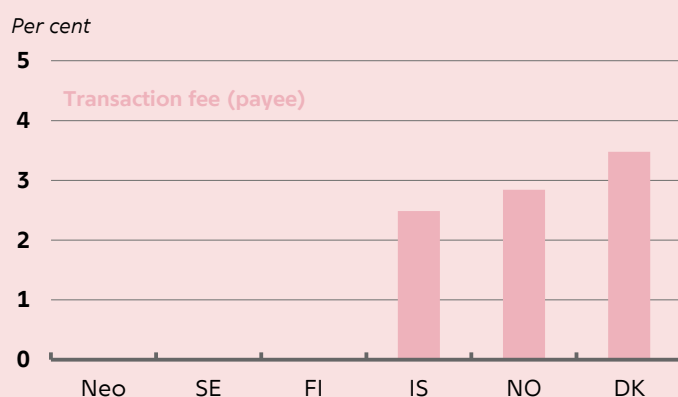
As for transfers sent, the costs of receiving an intra-Nordic bank transfer depend on the currency and the charging model of the receiving bank. In many cases, the payee may incur a transaction fee and, where a currency conversion takes place before crediting the payee (because the transfer was sent in another currency than the payee's), a mark-up on the exchange rate.

When a transfer is received in the payee's own currency, no FX mark-up applies. Moreover, such transfers are typically exempt from transaction fees in Finland and Sweden, owing to the fee-equality principle for payments in euro and Sweden's application of this to Swedish kronor, see Chart 2.4 and Box 2.1. Similarly, the neobanks included in the sample do not charge the payee for receiving a bank transfer.

CHART 2.4

Receiving cross-border transfers in own currency is costly in some countries, not in others ...

Payee's costs of receiving an intra-Nordic bank transfer in a Nordic currency equivalent to EUR 200



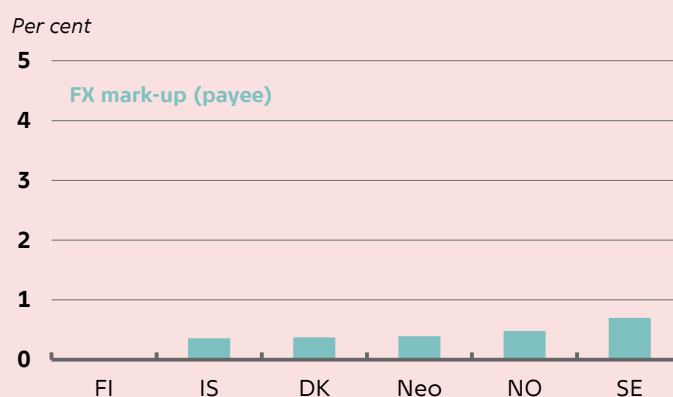
Note: Costs consist of the transaction fee for receiving an intra-Nordic bank transfers in the domestic currency of the payee.

Source: Own calculations based on publicly available information from the sample banks, see footnote 6.

CHART 2.5

... while receiving a similar transfer in euro incurs a comparably small FX mark-up

Payee's costs of receiving an intra-Nordic bank transfer of EUR 200



Note: Costs consist of the FX mark-up from converting a received intra-Nordic bank transfer in euro to the domestic currency of the payee

Source: Own calculations based on publicly available information from the sample banks, see footnote 6.

In contrast, receiving a transfer in euro is typically not subject to a transaction fee in any of the Nordic countries, see Chart 2.5. This also reflects the fee-equality principle. However, except in Finland, an FX mark-up applies when the transferred amount is converted into the payee's own currency. For a EUR 200 transfer, the FX cost is generally lower than the transaction fees often associated with transfers denominated in national currencies.

Combined costs for payer and payee

Combining the costs incurred by the payer and the payee, charts 2.6 and 2.7 confirm the conclusions above. First, costs are lower for transfers in euro. This applies even for transfers between non-euro area Nordic countries, where two currency conversions are required. For certain use cases, however, such a transfer could be less suited as the currency conversions make it harder to ensure that the payee receives an exact amount.

Second, for transfers denominated in Nordic currencies, total costs are generally higher and more dispersed. Transaction fees and FX mark-ups may arise on both the sending and receiving side of the transaction, increasing overall costs. For transfers equivalent to EUR 200 in a Nordic currency, the total costs of the payer and payee are several times higher than their costs from a transfer in euro.

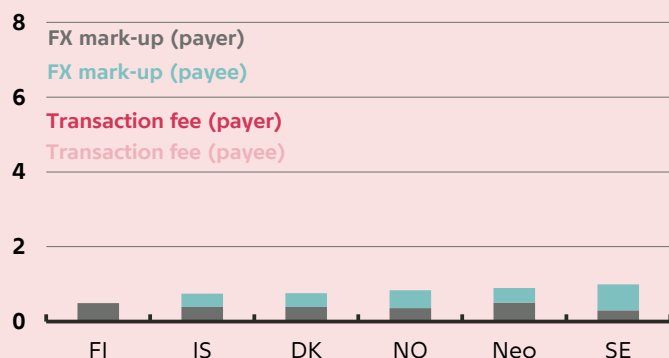
Third, for transfers in the Nordic currencies, the payer's and payee's combined costs are generally lower in Finland and Sweden, reflecting the CBPR and Sweden's decision to opt in with Swedish kronor. By contrast, transfers to and from Denmark, Norway and Iceland in their national currencies may involve transaction fees for both payer and payee as well as an FX mark-up.

CHART 2.6

Total payer and payee costs can be lower when transfers are denominated in euro, despite two currency conversions ...

Total payer and payee costs for a transfer of EUR 200

Per cent



Note: For each country, the chart shows the average costs of receiving an intra-Nordic bank transfer and the average costs of sending an intra-Nordic bank transfer from the point of view of the other Nordic countries. For a transfer in euro, neither the payer's nor the payee's bank charges a transaction fee due to the fee-equality principle. For Finland, receiving a transfer in euro does not involve a currency conversion, i.e. the FX mark-up for the payee is zero. 'Neo' shows the total average costs for the payer and payee of an intra-Nordic transfer in euro using neobanks.

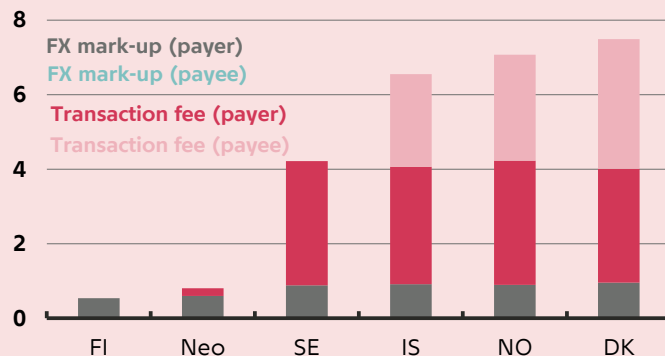
Source: Own calculations based on publicly available information from sample banks, see footnote 6.

CHART 2.7

... and higher when denominated in Nordic currencies

Total payer and payee costs for a transfer of EUR 200 or the equivalent in a Nordic currency

Per cent



Note: For each country (e.g. Norway), the chart shows the average costs of receiving an intra-Nordic bank transfer in domestic currency (Norwegian kroner) and the average costs of sending a bank transfer in the same currency (Norwegian kroner). 'Neo' shows the total average costs for the payer and payee of an intra-Nordic transfer across the Nordic currencies using neobanks.

Source: Own calculations based on publicly available information from the sample banks, see footnote 6.

EU instant payment rules may also give euro transfers a speed advantage

From July 2027, banks in non-euro area EU countries that offer transfers in euro will also be required to offer *instant* euro transfers, with funds made available to the payee within 10 seconds.¹² This follows from the EU Instant Payments Regulation (IPR) from 2024. Further, a fee-equality principle will apply, intended to limit the charges for these transfers.¹³ As a result, euro transfers across the Nordics will become both faster and cheaper than transfers in Nordic currencies, even when they involve two currency conversions.

¹² Outside of banks' business hours, this is a requirement as from June 2028.

¹³ According to the IPR, banks will not be allowed to charge higher fees for sending and receiving instant transfers in euro than for other euro transfers. In combination with the fee-equality principle of the CBPR, this implies that instant payments in euro must not be charged higher fees than domestic transfers in a non-euro area country's own currency.

03

Cross-border card payments

Cardholders' costs of paying abroad predominantly consist of an add-on to the exchange rate applied, an FX mark-up. While these costs differ across the Nordics, issuing banks' FX mark-ups are very similar within each country.

3.1 Cross-border card payment charges

A distinct feature of international card schemes like Visa and Mastercard is their global reach. Holders of such cards can use them to make payments in nearly all countries, and a large share of foreign visitors have a Visa- or Mastercard-branded card. In the Nordics, almost all banks issue cards of one or both schemes, and card acquirers typically provide retailers with the option to accept both Visa and Mastercard payments.

For cardholders, the costs of paying abroad arise primarily from a mark-up on the exchange rate for converting the cardholder's currency (home currency) into the retailer's currency (local currency). How this cost is incurred depends on the choice of currency, i.e. whether the payment is made in the local currency or the cardholder accepts an offer to pay in their home currency. This is described in more detail below.

For retailers, the cost of accepting a cross-border card payment is the fee paid to the card acquirer. The fee depends on the agreement between the retailer and the acquirer but is usually higher for card payments made by a foreign customer than for domestic payments. This is partly due to the fee paid by the card acquirer to Visa or Mastercard for processing the payment, which is typically passed on to the retailer.¹⁴

3.2 Card issuers' FX mark-ups

By default, a cardholder making a payment abroad pays in local currency. For example, a Danish cardholder making a payment in Sweden would typically pay in Swedish kronor. In this case, the card issuer, i.e. the Danish bank, charges an FX mark-up. The mark-up is normally applied to the exchange rate set by Visa or Mastercard, see Section 3.3.¹⁵ Moreover, the mark-up is typically expressed as a fixed percentage.¹⁶

FX mark-ups vary more across than within countries

Chart 3.1 shows the FX mark-ups of this report's sample banks. The chart suggests that the mark-ups vary more *across* than *within* countries. In each country, banks tend to cluster around the same level. As a further observation, two major Nordic banks (B1 and B2) apply different mark-ups across the countries in which they operate. This indicates that market structures and competition are important determinants of banks' FX mark-ups.

¹⁴ The interchange fee, i.e. the fee paid by the card acquirer to the card issuer, may also be higher for certain cross-border payments than for domestic payments, see the descriptions on Visa's ([link](#)) and Mastercard's ([link](#)) websites.

¹⁵ In Denmark, banks use exchange rates published by Nets, their card processor. However, Nets' exchange rates are understood to differ only slightly from Visa's and Mastercard's exchange rates.

¹⁶ In most cases, FX mark-ups do not depend on the currency used or the country in which the payment is made. An exception is Denmark, where banks typically apply separate FX mark-ups to card payments within and outside Europe.

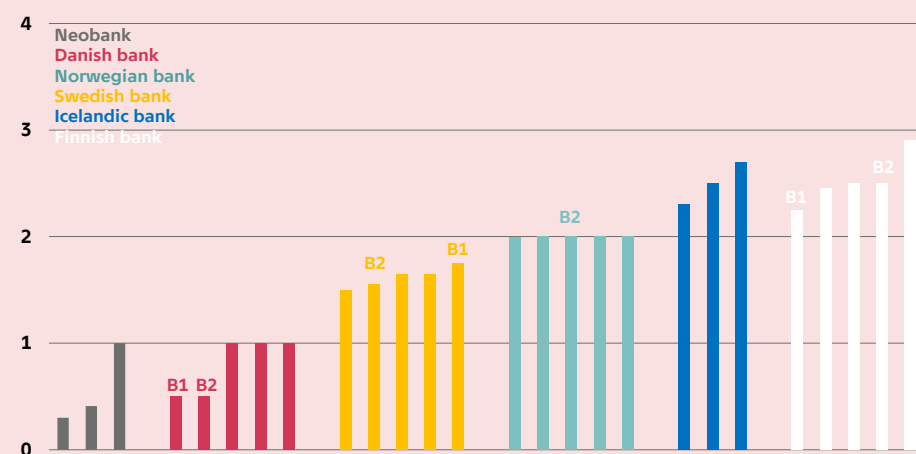
Other country-specific factors could influence banks' FX mark-ups. In Denmark, for example, the relatively low mark-ups may reflect an intervention by the Danish Competition Authority, see Box 3.1. The intervention was appealed to the courts, and a final decision is still pending. As with regard to bank transfers, banks in Finland charge relatively high FX mark-ups on card payments in the Nordic countries.

CHART 3.1

Cardholders across the Nordics face different FX mark-ups

Individual banks' FX mark-ups on card payments in the Nordic countries

Per cent



Note: 'B1' and 'B2' are observations for the same bank across countries.

Source: Publicly available information from the sample banks, see footnote 6.

BOX 3.1

The Danish Competition Authority required banks to lower their FX mark-ups

Under a provision in the Danish Payments Act, the Danish Competition Authority (*Konkurrence- og Forbrugerstyrelsen*) can intervene where fees or profit margins exceed the levels that would be expected under effective competition. In 2022, the Authority ordered Danske Bank and Nordea, the two largest banks in Denmark, to reduce their FX mark-ups applied to card payments. Other Danish banks were encouraged to ensure that their pricing was not too high.

The Competition Authority's order followed an analysis of Danske Bank's and Nordea's FX mark-ups in the period 2016-2019. The analysis was prompted by a complaint submitted by the consumer organisation *Forbrugerrådet Tænk* in 2017, following an announced increase in banks' FX mark-ups from 1.0 per cent to 1.5 per cent for card payments in Europe (i.e. payments made in European currencies) and from 1.5 per cent to 2.0 per cent for card payments outside Europe.

Based on its analysis, the Authority concluded that the FX mark-ups exceeded competitive levels and should be reduced. Following the decision, both banks lowered their FX mark-ups in Denmark, with current levels at 0.5 per cent for card payments within Europe and 1.5 per cent for card payments outside Europe. Danske Bank and Nordea subsequently challenged the decision in courts. At the time of writing, the case remains pending before the Danish High Court (*Landsretten*).

1. See Konkurrence- og Forbrugerstyrelsen, *Danske Banks/Nordeas valutatilæg*, Afgørelse, 30. marts 2022 ([link](#), in Danish only).

FX mark-ups contribute to banks' card-related income

Overall, FX mark-ups account for a significant part of banks' card-related income, despite payments abroad representing only a small share of total card payments. By comparison, issuing banks' income from domestic card payments, i.e. interchange fees, is capped at 0.2 and 0.3 per cent for debit and credit cards, well below the FX mark-ups shown above.¹⁷ In addition, banks also receive interchange fees on card payments abroad.¹⁸

At the same time, card-issuing banks usually incur higher costs from card payments abroad than from domestic payments. These higher costs may be due to factors such as higher or additional processing fees charged by the card schemes, greater losses caused by fraud and more customer requests to be answered. Cross-border payments also typically require more time for compliance-related tasks.

Part of the banks' fees to Visa and Mastercard may cover the card schemes' FX-related costs and risks. Normally, the card schemes carry out the currency conversion on behalf of the issuing bank. Moreover, following recent changes to the processing of card payments involving a currency conversion, the risk of an adverse movement in exchange rates is now borne primarily, if not solely, by the card schemes.¹⁹

Neobanks also offer cheaper cross-border card payments

Neobanks also provide an alternative to traditional banks as card issuers. As for bank transfers, the neobanks in the sample generally charge lower FX mark-ups than the traditional banks, see Chart 3.1. Neobanks often use virtual accounts to handle the currency conversion on their own books, which reduces their reliance on the card schemes' standard processes for cross-border card payments.²⁰

As is the case for bank transfers, neobanks' lower FX mark-ups stand out, considering their narrow revenue stream. In contrast to traditional banks, neobanks do not benefit from offering their customers a broad spectrum of financial services. Despite this, neobanks still charge lower FX mark-ups than traditional banks. The comparison does not take into account fixed fees, which may be higher for some neobanks.

3.3 Card schemes' FX spreads

Card schemes' exchange rates are used to calculate issuers' positions when settling card payments abroad. The exchange rates are set as spreads, like bid-ask quotes. In principle, the wider the spread around a certain mid-market rate, the higher the costs from the cardholder's perspective. In that sense, card schemes' FX spreads (halved) mirror an FX cost to the cardholder. This is explained in more detail in Box 3.2.²¹

Both Visa and Mastercard offer currency conversion tools that can be used to derive their exchange rates for a specific date. From these rates, spreads can be

¹⁷ This is regulated by the EU Interchange Fee Regulation from 2015. The caps apply to card payments within the EEA, but not to commercial cards, for which the interchange fees are normally higher.

¹⁸ The data available does not allow for a proper estimate of the Nordic banks' total income from card payments abroad. However, a large share of these payments may be for e-commerce purchases, which are often paid for in the cardholder's home currency. This tends to reduce the card-issuing banks' income from FX mark-ups.

¹⁹ See Visa, *Pay the same exchange rate every time*, Company news, 8 July 2020 ([link](#)) and Mastercard, *What You See is What You Get - Currency Conversion Made Simple*, News Item, 20 August 2020 ([link](#)).

²⁰ A virtual account is a sub-ledger tracking a main account, often denominated in another currency.

²¹ For the same interpretation of the card schemes' FX spreads, see Reimo Juks, *Cross-border payments offered by the large Swedish banks: are they in line with G20 cost targets?* Sveriges Riksbank Staff Memo, February 2025 ([link](#)).

calculated for each currency pair. According to the card schemes, the spreads are based on prevailing interbank exchange rates. Hence, they can be expected to reflect factors such as market liquidity and exchange-rate volatility.

BOX 3.2

Card schemes’ FX spreads reflect a cost to the cardholder

Card schemes set exchange rates as spreads. For instance, on 18 August 2026, Visa’s exchange rate for converting Danish kroner to Swedish kronor was 67.53 (Danish kroner per 100 Swedish kronor), while the exchange rate for converting Swedish kronor to Danish kroner was 68.12, see illustration below. Hence, if a Danish cardholder made a payment of 100 Swedish kronor at a Swedish retailer, and the Danish bank charged an FX mark-up of 1 per cent, an amount of 68.80 Danish kroner would have been withdrawn from the cardholder’s account.

For a given currency pair, such as Danish kroner and Swedish kronor, the card schemes’ FX spread typically spans a mid-market rate like the ECB reference exchange rate. This was also the case on 18 August 2026, when the ECB reference rate for Danish kroner against Swedish kronor was 67.80. Normally, the card schemes’ FX spreads will not be symmetric around the latest ECB reference exchange rate as they are fixed at different times, following separate procedures.

From the perspective of the cardholder, the card schemes’ FX spreads have the same effect as the card issuer’s FX mark-up, i.e. the wider the spread, the larger the amount that will be withdrawn from the cardholder’s account. Accordingly, we treat these as a cost component, calculated as half of the card scheme’s spread for a certain currency pair. While the mid-point of the FX spread should not be regarded as the rate at which households can otherwise exchange currencies, this is consistent with the calculation of FX costs in Section 2 on bank transfers.

Half of the card schemes’ FX spread is a cost to the cardholder

Exchange rates between Danish kroner and Swedish kronor, 18 August 2026

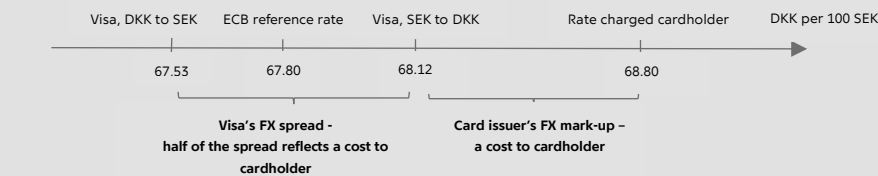
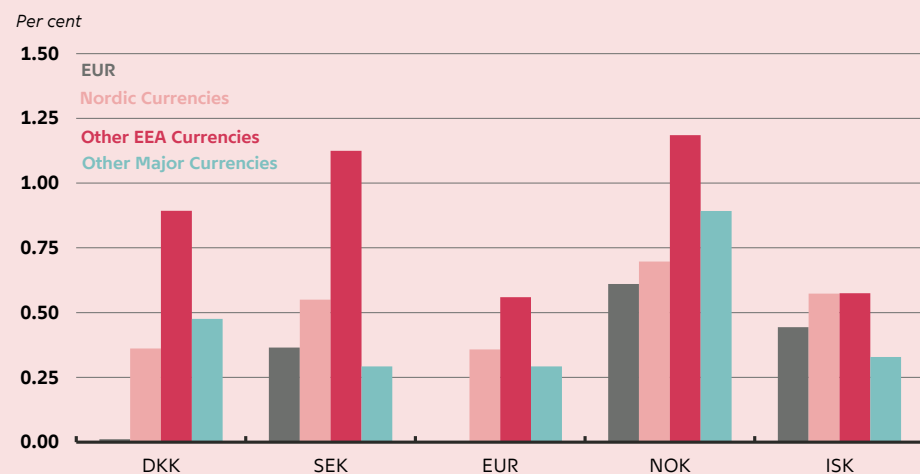


Chart 3.2 shows the card schemes' FX spreads (halved) for selected currency pairs. First, the spreads differ across the Scandinavian currencies. In general, spreads are lower for Danish kroner than for Swedish kronor and Norwegian kroner. In particular, the spread between Danish kroner and euro is only a few basis points (i.e. one-hundredths of a percentage point), reflecting Denmark's fixed-exchange-rate policy.

CHART 3.2

FX spreads are lower for some currency pairs than for others

Card schemes' FX spreads for selected currency pairs



Note: Values are calculated as half of the card schemes' spreads for the respective currency pairs and are based on observations from two three-day periods in May and September 2026, respectively.

Source: Own calculations based on data from Visa's and Mastercard's currency conversion tools.

Second, spreads vary considerably across currency pairs. For conversions involving the category labelled "other EEA currencies", i.e. Polish zloty, Hungarian forint, Czech koruna and Romanian leu, spreads are higher than for conversions involving other Nordic currencies and major international currencies. For some non-European currencies, spreads may be even higher, reaching 2 per cent or more (not shown in Chart 3.2).

To calculate cardholders' total FX costs, (half of) the card schemes' spreads should be added to the issuer's FX mark-up, see Charts 3.3 and 3.4. For Danish cardholders, total FX costs increase to slightly above 1 per cent for payments in Nordic currencies. For payments in euro, total FX costs remain close to $\frac{3}{4}$ per cent on average, reflecting the narrow spread applied to Danish kroner against the euro.

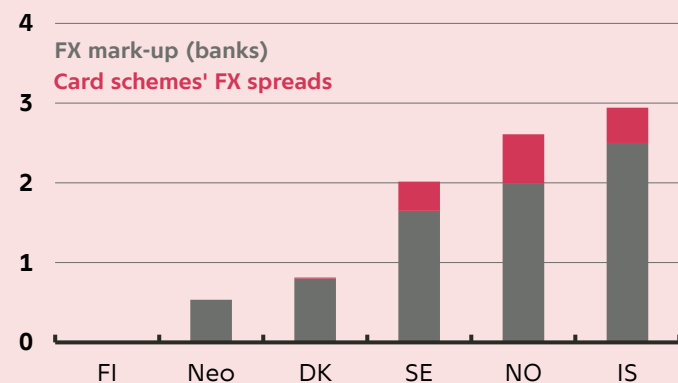
For cardholders in the other Nordic countries, the card schemes' spreads largely amplify the relatively high FX costs compared to the similar costs in Denmark. This is particularly the case for payments in euro (Finland aside, naturally). Total FX costs are around 2 per cent for cardholders in Sweden, while they range between $2\frac{1}{2}$ and 3 per cent for cardholders in Iceland and Norway.

CHART 3.3

Danish cardholders face lower cost for payments in euro ...

Total FX costs for card payments in euro

Per cent



Note: The chart shows cardholders' total FX costs for a payment in euro, i.e. the sum of the issuing bank's FX mark-up and the costs implied by the card scheme's FX spread, see the main text. For Finland, the cost is zero as no currency conversion is involved. "Neo" shows the average FX costs for neobanks as card issuers.

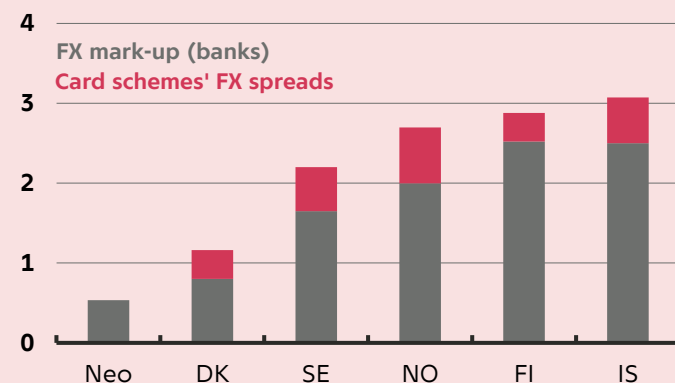
Source: Own calculations based on publicly available information from the sample banks, see footnote 6, and Visa's and Mastercard's currency-conversion tools.

CHART 3.4

... and for payments in the Nordic currencies

Total FX costs for card payments in Nordic currencies

Per cent



Note: The chart shows cardholders' total FX costs for payments in an average of Nordic currencies, i.e. the sum of the issuing bank's FX mark-up and the costs implied by the card schemes' FX spreads, see the main text. "Neo" shows the average FX costs for neobanks as card issuers.

Source: Own calculations based on publicly available information from the sample banks, see footnote 6, and Visa's and Mastercard's currency-conversion tools.

3.4 Dynamic currency conversion

When making card payments abroad, cardholders may be offered the option to pay in their own currency at the point of sale. This is known as dynamic currency conversion (DCC). In the case of DCC, the retailer's card acquirer performs the currency conversion and receives the exchange rate mark-up. Typically, the resulting income is shared between the card acquirer and the retailer in accordance with their commercial agreement.

According to major card acquirers, DCC is less widespread in the Nordics than in several other European countries. It is estimated that fewer than 10 per cent of cross-border card payments in the Nordics are processed as DCC transactions. Card acquirers nevertheless expect DCC usage in the Nordics to increase, reflecting their own promotion of the service and retailers' incentives to offer it.

DCC mark-ups are set by the card acquirer or the retailer. They vary across countries and retail segments. According to information provided by card acquirers, DCC mark-ups in the Nordics are typically around 3.5-4.0 per cent or higher. This is generally higher than the FX mark-ups charged by card issuers in the Nordics. Such DCC mark-ups, however, are not necessarily higher than card issuers' FX mark-ups in other jurisdictions.

In principle, DCC could exert pressure on card issuers' FX mark-ups. If DCC offerings were sufficiently competitive, card issuers might need to reduce their FX mark-ups to retain their currency conversion business. This was a rationale for the provisions introduced through the Cross-Border Payments Regulation (CBPR)

in 2019 to increase transparency and facilitate comparisons between currency conversion options, see Box 3.3.

Current DCC mark-ups in the Nordics do not suggest that such competitive effects have materialised to a significant extent. For DCC to exert stronger competitive pressure on card issuers' FX mark-ups, card acquirers and retailers offering DCC would likely need to charge lower mark-ups. Consistent with these findings, paying in local currency is generally the least costly option for cardholders making payments abroad.

BOX 3.3

Provisions aim to increase transparency of DCC and FX costs for card payments

In 2019, two requirements were introduced through the CBPR to increase the transparency of FX costs and help cardholders assess DCC offerings at retailers. First, providers of DCC were required to disclose their mark-ups relative to the ECB reference exchange rate as part of the payment process, i.e. on the card terminal screen. The information must also include the amount that will be debited from cardholders' accounts in their own currencies if the DCC offer is accepted.

Second, card issuers were required to provide cardholders with regular information on their FX mark-ups. Concretely, following a payment abroad, the issuer must inform the cardholder of the FX mark-up applied relative to the ECB reference exchange rate, i.e. the same benchmark used for DCC offerings. This information can be provided, for example, by text message to cardholders' mobile phones. The issuer and cardholder can agree on the frequency of such notifications, and this is now typically included in card issuers' standard agreements.

As with the provisions on bank transfers discussed in Section 2, these requirements are subject to an upcoming review of the CBPR.

04

Conclusion and discussion

Households' costs of cross-border payments in the Nordics are higher than those for domestic payments and payments in the euro area. They also exceed global targets set by the G20. Various market developments and policy measures may contribute to lowering these costs.

4.1 High costs of cross-border payments in the Nordics

For households, Nordic cross-border payments are costly. For a bank transfer in a Nordic currency equivalent to EUR 200, the total costs incurred by the payer and payee are 4 per cent or more. For card payments in another Nordic country, the combined costs of the card issuer's FX mark-up and the card scheme's FX spread are typically between 2 and 3 per cent, with the exemption of Danish cardholders, for whom the costs are lower.

These costs are higher than for domestic payments and payments in the euro area. They also exceed the global target of 1 per cent set by the G20, see Box 4.1.²² While the G20 targets have proven difficult to achieve in most jurisdictions, they provide a benchmark for assessing the costs of cross-border payments.²³ Recently, countries and regions have been encouraged to prepare action plans to support progress towards the targets.²⁴

BOX 4.1

Cross-border payments are subject to global targets

In 2020, the G20 endorsed a major programme with action points addressing identified challenges in cross-border payments, including high costs, slow end-to-end processing, limited transparency and restricted accessibility.¹ As part of the programme, G20 leaders approved a set of global targets in 2021 for wholesale payments, retail payments and remittances to be achieved by 2027.² The Financial Stability Board was tasked with monitoring and reporting on progress towards the targets.

The cross-border payments that are the subject of this report fall within the category of retail payments. For these payments, the global target for costs was described as "[g]lobal average cost of payment [including both fees and FX mark-ups] to be no more than 1 per cent, with no corridors with costs higher than 3 per cent by end-2027" with costs measured as the combined costs incurred by the payer and payee (for example, both the cardholder and the retailer in the case of card payments).

Similar targets as above were set for speed, accessibility and transparency of retail payments, as for wholesale payments and remittances, forming a 'matrix of targets'.

¹ See Financial Stability Board, *Enhancing Cross-border payments: Stage 3*, 13 October 2020 ([link](#)).

² See Financial Stability Board, *Targets for addressing the four challenges of cross-border payments: Final report*, 13 October 2021, ([link](#)).

²² As the targets are defined as *averages*, and as bank transfers in euro have lower costs and account for a large share of all transfers across borders, banks in the Nordics may be closer to the G20 targets than indicated by the costs above. For card payments, however, costs should also include retailers' costs, which may add substantially to cardholders' FX costs.

²³ See Financial Stability Board, *G20 Roadmap for Cross-border Payments: Consolidated Progress Report for 2025*, 9 October 2025 ([link](#)) for the latest annual report by the FSB monitoring global fulfilment of the targets.

²⁴ See Financial Stability Board, *Promoting Global Financial Stability: 2025 FSB Annual Report*, 24 March 2026 ([link](#)).

Without solely targeting payers and payees' costs, several initiatives have sought to improve cross-border payments in the Nordic region. One example was P27, an attempt by banks to establish a common clearing system.²⁵ Lately, mobile payment providers in the Nordics have joined work on a European cross-border payment service.²⁶ Whether such a service could lower costs for cross-border payments remains to be seen.

4.2 Reducing bank transfer costs

Market developments may contribute to reducing bank transfer costs across the Nordics. As shown in this report, neobanks generally offer transfers to other Nordic countries at lower costs than traditional banks. This could lead to more customers requesting the services of neobanks, pressuring other payment service providers (PSPs), including traditional banks, to lower their prices.

Transparency regarding fees and FX mark-ups is important for competition to impact the costs of bank transfers abroad. Information requirements regarding cross-border payments are set out in EU legislation, which also contains provisions aimed at facilitating non-bank PSPs' access to the payment infrastructure.²⁷ In addition, non-bank PSPs have recently gained access to central banks' payment systems.²⁸

Costs can also be reduced by improving the payment infrastructure. One example is the TIPS cross-currency service, see Box 4.2. The service enables the settlement of payments between TIPS-hosted currencies and may reduce banks' processing costs. Cost reductions could also follow through the use of blockchain technology to settle cross-border payments, which is currently being explored in various public-sector and market-based initiatives.

BOX 4.2

The TIPS cross-currency service may lower banks processing costs

The TIPS cross-currency service is offered by the European Central Bank, Danmarks Nationalbank and Sveriges Riksbank. The service allows participants to settle cross-currency instant payments on accounts with the central banks, i.e. in central bank money, using the TIPS platform. It thereby provides an alternative to the traditional processing of cross-border payments through correspondent banking relationships.

By reducing the number of intermediaries involved and supporting standardised processing, the service may reduce some of the frictions associated with cross-border payments. This may lower banks' processing costs and increase transparency for payers and payees. The service may also support account-to-account solutions for cross-border payments, including interoperability between mobile payment solutions.

Both Norges Bank and Seðlabanki Íslands have signed agreement with the ECB to connect their currencies to TIPS, which would allow them to participate in the cross-currency service.

²⁵ Following years of preparation, the banks discontinued P27 in 2023. One outcome, however, was the establishment of the Nordic Payments Council, NPC, which today plays a key role in driving harmonisation across the region.

²⁶ Vipps MobilePay, a mobile payment solution offered in Denmark, Finland, Norway and Sweden, and the Finnish mobile payment solution Siirto have announced to be part of ongoing work with other European mobile payment providers to connect to each other, i.e. to become 'interoperable', see various news items on the two solution's websites.

²⁷ Like the information requirements for payment services, non-banks PSPs access to the payment infrastructure is primarily regulated in the PSD2, see footnote 9.

²⁸ Following a recent amendment to the EU Settlement Finality Directive, all Nordic central banks have broadened access to their payment systems to non-bank PSPs, subject to an application procedure.

Regulation could also contribute to lower costs for bank transfers

Beyond the remit of central banks, further regulation of fees could also be an option to lower the costs of cross-border bank transfers. As described in Section 2, previous regulatory initiatives at the EU level, in particular the Cross-Border Payments Regulation (CBPR) from 2001, appear to have served their purposes. This also holds for the expansion of the fee-equality principle in 2019 to include non-euro area EEA countries.

As discussed in Box 2.1, a future review of the CBPR will consider broadening its scope to non-euro EU currencies.²⁹ If the regulation were to be amended accordingly, this would cover also the Nordic currencies. Consequently, the costs of intra-Nordic bank transfers in those currencies would most likely be reduced and come closer to the levels observed for transfers in euro.

Alternatively, regulatory actions at national level may contribute to lower costs. These could include following the Swedish example of opting in to the fee-equality principle for the national currency. As discussed in Section 2, this would reduce fees for incoming cross-border transfers in those currencies. Additional measures would be required to achieve a similar reduction in the costs of outgoing transfers.

Regulatory initiatives of this kind require careful assessment of costs and benefits. For example, using domestic fees as the upper limit for charges on cross-border payments may create incentives for banks to increase domestic fees over time. In addition, banks could respond by adjusting other fees or FX mark-ups. It would therefore be important to monitor pricing developments and assess potential spillover effects.

4.3 Reducing costs of card payments

The potential market developments and policy measures affecting the costs of cross-border card payments are broadly similar. Increased competition may put pressure on card issuers to reduce their FX mark-ups. As described in Section 3, neobanks generally provide card payments at lower FX costs than traditional banks. Transparency is important, as it enables card holders to compare offerings from different card issuers.

Dynamic currency conversion (DCC) may also put pressure on card issuers' FX mark-ups, at least in principle. Whether the provisions introduced in the CBPR in 2019 have improved cardholders' ability to assess DCC offers will be assessed as part of the review of the regulation. However, for the reasons discussed in Section 3, the pressure exerted by DCC on card issuers' FX mark-ups in the Nordic countries has likely been limited.

As for bank transfers, the pricing of card payments, including FX mark-ups, could also be addressed through regulation. Previous EU regulation in the payments area targeting prices has focused on fees between PSPs or in relation to charging of other services.³⁰ As described above for bank transfers, any form of regulation of card issuers' FX mark-ups would require careful assessment of all relevant aspects.

²⁹ Extending the fee-equality principle to non-euro EU currencies was considered during the preparation of the 2019 revision of the regulation, see European Commission, *Impact Assessment accompanying Proposal for amending Regulation No. 924/2009*, March 2018 ([link](#)).

³⁰ Examples include the Interchange Fee Regulation, which set caps on fees *between PSPs*, and the CBPR and the Instant Payments Regulation, which both regulate fees *in relation to charging of other services*.