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International Payments Pricing Transparency Playbook

Contents

Introduction

Pricing transparency in international payments has become a priority area for regulators in the UK.

The Financial Conduct Authority (FCA) expects firms to give customers a clear understanding of the total cost of sending money overseas, including FX mark ups, fixed and variable fees and any deductions that may occur along the transfer chain.

This is no longer viewed as a simple disclosure issue. It sits at the heart of the Consumer Duty, which requires firms to communicate information that is clear, fair and not misleading and to support customers in making confident and informed decisions.

This playbook gives firms operating in the UK a structured way to review, strengthen and evidence their approach to international payment pricing transparency.

It draws on observed regulatory themes, industry practices and emerging expectations from supervisory engagement. It does not prescribe how firms must comply, but gives practical tools to help firms meet their obligations and deliver better outcomes.

Current signals and regulatory themes suggest that pricing transparency is likely to remain a focus for the FCA.

Based on Vixio's reading of the landscape, future developments may include:

- More detailed expectations around FX disclosure.
- Stronger emphasis on customer understanding testing.
- Closer scrutiny of marketing claims.
- Interest in how firms estimate or explain intermediary charges.
- Potential moves towards standardised disclosures in the longer term.

Firms that act early and build strong transparency frameworks will be better placed to meet future expectations and improve customer trust.

Strong pricing transparency is both a regulatory expectation and a competitive advantage. Firms that communicate clearly, present pricing information in an accessible way and evidence how they help customers understand costs will meet their Consumer Duty obligations and build stronger customer relationships.

This playbook gives firms a structured and practical approach to improving their pricing transparency in international payments. It can be adopted in full or adapted based on each firm's scale and operating model.

Key message:

Transparent pricing is both a regulatory expectation under the Consumer Duty and a strategic advantage for building customer trust.

Why this playbook?

This playbook is designed to:

- Break down international payment pricing transparency into clear, actionable guidance.
- Provide practical tools for boards, compliance and operational teams.
- Help firms embed transparency into governance, customer journeys and testing.
- Highlight common pitfalls and risks that can affect customer outcomes.

Who should read this?

- Senior compliance and risk officers managing international payments for UK-based organisations.
- Treasury, operations and product leads responsible for FX and payment execution.
- Boards and senior managers accountable for Consumer Duty oversight.
- Marketing teams responsible for pricing communications.

Context and scope

- Applies primarily to UK-based payment service providers (PSPs) offering international payments.
- Relevant regulations include FCA guidance, Consumer Duty and FX disclosure expectations.

Although the playbook assigns specific responsibilities to product, ops, compliance and marketing functions, Consumer Duty is a firm-wide obligation.

Boards and senior managers must ensure that transparency and fair customer outcomes are embedded across the organisation.

Fostering a culture of clear, fair and not misleading communication helps turn regulatory requirements into consistent, actionable practices throughout every team.

Key regulatory signals and direction of travel

Across all sources of supervision, feedback and market observations, a consistent direction of travel is emerging.

Complexity creates risk

International payments often involve multiple parties, several charge points and an FX conversion that can hide costs if not presented clearly. Regulators see this as an area where customers struggle to understand how much they will pay and what the recipient will receive.

Consumer Duty sets a higher bar

The Duty requires firms to give customers the information they need at the right time and in a format they can understand. For international payments, this means clarity on every part of the cost and transparency around any variables.

Supervisors are paying closer attention

Themes consistently raised in sector engagement include unclear fees, insufficient explanation of FX margins, marketing claims that fail to match actual pricing and journeys where key information is hard to find.

Follow-up work is likely

There are clear signals that this area will remain under review. Firms need to be able to show the decisions they have taken, the controls they have put in place and the evidence that their approach supports good outcomes.

Key message:

Firms that act early to embed strong transparency frameworks are better placed to meet regulatory expectations and protect customers.

Core principles for transparent international payments

Four principles consistently drive clarity and reduce customer confusion.

1 TOTAL COST VISIBILITY

Customers should be able to see all relevant elements of the price before committing to a transaction. This means fixed fees, variable fees, FX rate applied, FX mark-up expressed clearly, estimated intermediary charges (where applicable) and the expected amount the recipient will receive.

2 CLEAR EXPLANATION OF VARIABILITY

If any part of the cost may change because of correspondent banks, local clearing or foreign currency routing, customers should understand why and how this may affect the final amount.

3 TRANSPARENT FX PRACTICES

Customers should understand how the rate has been set and how the firm earns revenue. This does not require publishing midmarket rates, but firms should explain the basis for the applied rate or the presence of a margin.

4 ACCESSIBLE AND UNDERSTANDABLE INFORMATION

Customers should not need to hunt for critical information: pricing should be available at key moments in the journey and not hidden behind expandable menus or legal disclaimers.

VIXIO Regulatory Intelligence

The pricing transparency operating model

This operating model gives firms a structured way to embed transparency across their business. It can be tailored to each firm's size, complexity and business model.

1. Governance

- Add pricing transparency into product governance and change management processes.
- Give senior managers visibility over pricing structures, mark-ups and disclosures.
- Ensure Consumer Duty oversight committees have sight of transparency risks.

2. Journey mapping

- Map all locations where pricing information appears across the customer journey.
- Review the order and clarity of disclosures.
- Identify where customers may misunderstand or misinterpret information.

3. Standardised disclosures

Create consistent templates for:

- Pre-transaction pricing information.
- Post-transaction confirmations.
- Marketing and onboarding content.
- FAQs and support scripts.

Templates help maintain consistency, especially for fast-growing digital firms.

4. Training and competence

Customer-facing staff and product teams should understand:

- How pricing works.
- Where fees may arise.
- How to talk about FX margins without causing confusion.

5. Testing and monitoring

- Test whether customers can understand key pricing messages.
- Use A/B testing to refine the presentation of FX information.
- Review complaint themes related to charges or recipient shortfalls.
- Assess drop-off points in the journey to understand where customers lose confidence.

6. Recordkeeping

Keep evidence of:

- What disclosures customers saw.
- The controls in place.
- Testing results.
- Design decisions and rationale.
- Updates prompted by Consumer Duty reviews.

Practical steps for firms

- [ ] **Step 1: Review all pricing touchpoints**
  Check every location where customers see or may expect to see pricing information, ensuring consistency.

- [ ] **Step 2: Strengthen pre-transaction disclosures**
  Ensure customers are told about fees, FX rate and mark-ups before they commit.

- [ ] **Step 3: Improve FX clarity**
  Explain how the rate is set and how any margin works in straightforward terms.

- [ ] **Step 4: Clarify intermediary fees**
  If charges may be taken by overseas banks or other parties, make this clear and explain why.

- [ ] **Step 5: Align marketing to reality**
  Marketing claims must be consistent with the total cost structure, and claims such as "zero fees" should be used only when genuinely accurate.

- [ ] **Step 6: Introduce customer understanding testing**
  Testing does not need to be complicated – even simple methods can give useful insight into how customers interpret pricing information.

- [ ] **Step 7: Embed transparency into governance**
  Make pricing transparency part of product approvals, reviews and senior management oversight.

- [ ] **Step 8: Document everything**
  Good recordkeeping is essential under the Consumer Duty. Be sure to document decisions, rationale, testing, reviews and improvements.

Red flags and risk indicators

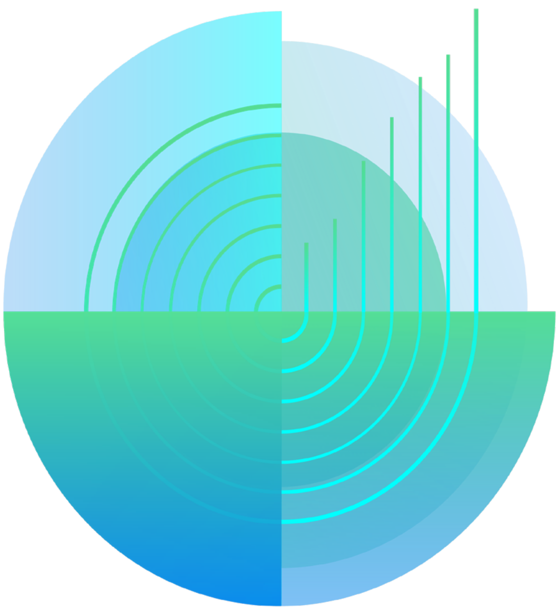
These are areas that often signal increased risk or customer confusion, including:

- Pricing information that appears only after several clicks.
- FX margins that are either not disclosed or are described only vaguely.
- Claims of no fees where FX margins are the primary revenue source.
- Inconsistent wording across FAQs, marketing and the transaction screen.
- Customers regularly complaining about receiving less than they expected.
- No testing of customer understanding.
- Reliance on general statements such as “other bank fees may apply without explanation”.

Although firms do not need to avoid these situations entirely, they should understand and manage the risks.

Key message:

Firms that ignore red flags risk regulatory scrutiny, complaints and reputational harm.



Illustrative transparency examples

These are not prescriptive, but may help firms understand common approaches used in the market.

Example 1: Cost breakdown layout

A clear pre-transaction layout includes:

- The amount sent.
- The FX rate applied.
- The FX margin expressed as a percentage or monetary value.
- Any fixed fee.
- A variable fee (if applicable).
- The estimated recipient amount.
- A note on possible deductions by overseas banks.

Example 2: FX margin explanation wording

- "This rate includes a margin that allows us to cover our costs and operate this service."
- "Our exchange rate includes a small mark up above the mid market rate. This is how we generate revenue."

Example 3: Variability statement

- "Some overseas banks may charge a fee when receiving or processing international payments. These charges vary by country and bank and are outside our control."

Example 4: Clear vs unclear wording

Clear:

- "The recipient is expected to receive €1,250. Some overseas banks may take a small fee."

Unclear:

- "The final amount may differ."

Appendix: Quick reference summary table

Obligation	What firms must do	Who is accountable	Evidence/Frequency
Pre-transaction pricing	Display total cost, FX rate, fees	Product/ops/ compliance	Screens, management information (MI) logs
FX margin explanation	Explain margin or revenue basis	Treasury/ compliance	Policy docs, testing results
Intermediary fees	Explain possible overseas fees	Product/ops	Journey mapping, FAQs
Marketing alignment	Ensure claims match reality	Marketing/ compliance	Marketing review, complaint logs
Customer testing	Conduct understanding tests	Product/ compliance	Test results, MI
Consumer Duty culture	Ensure all staff understand their role in delivering clear, fair, and not misleading outcomes	Everyone in the organisation	Training records, internal communications, MI on customer outcomes

Key message:

Consumer Duty is not limited to compliance teams: every function contributes to delivering fair customer outcomes. Boards should monitor how the firm embeds this across culture, process and performance metrics.

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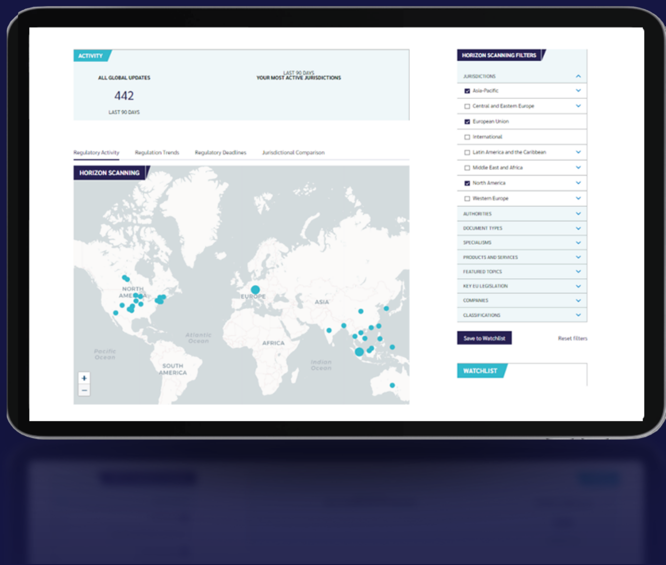
Now you’re up-to-speed, what’s your next step?

Book a demo with a member of the Vixio team who can show you how our PaymentsCompliance tools and services can help your organisation prepare for these proposed regulatory changes, now and in the future.



Book a demo

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Vixio PaymentsCompliance is a fast, effective and user friendly platform that supports compliance activities, removing time-consuming and resource-heavy manual searches and lowering associated costs. With PaymentsCompliance, customers can access real-time regulatory intelligence and updates in 140+ jurisdictions across the world through horizon scanning, expert analysis, and insights to better understand and prepare for changes in payments regulations.

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