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Now also Nordic companies have access to foreign currency payments services at significantly lower cost compared to banks

So far Nordic companies have faced foreign currency payments related challenges in doing business internationally. Nordic banks often apply very poor FX rates to their corporate customers. This results in significant hidden FX costs for exporters and importers.

The reasons are related to Nordic banks operating inefficiently as well as lack of transparency and competition in the Nordic FX services market. First, banks tend to have high costs due to several reasons. These costs are passed on to their customers for example in the form of very poor FX rates. Second, banks do not send invoices to their customers for providing FX services, but rather often apply very poor FX rates, which results in significant hidden FX costs. Therefore, companies are often not aware of the magnitude or even the existence of these hidden FX costs. Third, so far fintechs that challenge banks with low-cost FX services have had limited presence in the small Nordic market, but that is finally changing. As a result, now also Nordic exporters and importers have access to foreign currency payments services at significantly lower cost compared to banks.

Several agile fintechs focus on providing FX services to companies at significantly lower cost compared to banks. One such fintech is NEOFX (www.neofx.eu) that helps specifically Nordic companies cut FX costs. “Our customers can in fact cut substantially foreign currency payments costs, because banks’ FX rates are often very poor compared to ours.”, says Ville Lipponen, Co-Founder of NEOFX. They recently went live in Denmark and Finland. Next will be Norway and Sweden. “We are unique in the fintech space, because we have in-depth knowledge on company needs in the Nordics specifically and we also offer customer service in the Nordic languages.”, adds Thomas Jensen, Co-Founder of NEOFX.

Security is of critical importance, when dealing with financial services. To ensure first-class security one potential business model for fintechs is to partner up with credible established financial institutions. For example, NEOFX has adopted a business model, where Visa’s (world’s leader in digital payments) subsidiary Currencycloud provides their services. As a result, NEOFX’s customers have a highly credible counterparty to the services that they are using. An additional benefit of this business model is utmost efficiency. Unlike in case of for example banks, in this business model services are developed in a centralised manner for global use and local fintechs such as NEOFX manage customer interaction in specific geographical regions. Consequently, fintechs such as NEOFX are able to offer services to their customers both securely and at ultra-competitive terms. The final beneficiaries are the Nordic exporters and importers.

To become customer, employee or partner please visit www.neofx.eu and contact Co-Founder Thomas Jensen (+45 30327174, thomas.jensen@neofx.eu) or Co-Founder Ville Lipponen (+358 503038258, ville.lipponen@neofx.eu).