

INTL FCStone seeks to diversify its client base by targeting new industries and technologies; Interview with Carsten Hils, Head of their Global Payments Division



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Head of their Global Payments Division

June 20, 2016

INTL FCStone is not exactly a 'household' name in the FinTech world, but in fact it is one of the biggest players in cross border payments to the developing world with more than \$22 billion in transfers in 2015. I recently interviewed Carsten Hils, Global Head of their Global Payments Division. I asked Carsten how INTL FCStone became a leader in the cross border payments industry and he said, "While working in the banking world we visited many aid & development organizations and charities. When asked what their biggest challenge was in running the operation, they consistently mentioned making the cross-border payments to their field offices in the developing world was an inefficient and expensive process. So when I had the opportunity to join INTL FCStone we started a payments business with the specific focus on the developing world, and developed the technology to support charities and aid & development organizations. The client base grew rapidly and many charities adopted the model of sending local currency through our platform, the product sold itself mostly by word of mouth. In 2008 we were approached by a major international bank to support their payment infrastructure with the currencies they currently did not offer but were increasingly requested by their corporate client base. Currently our service is available to 175 countries in 150 currencies and we are looking to expand our client base by marketing to fintech and eCommerce companies that can benefit from our low cost payments network like going to Costco – you get bulk price advantage."

In a recent press release, INTL FCStone announced that its London-based subsidiary, INTL FCStone Ltd.'s Global Payments Division facilitated approximately 101,000 cross-border payments on behalf of its customers in the first quarter of the 2016 calendar year and that it achieved a milestone by signing its 500th institutional client in April. According to Carsten, "We are now in our third stage of development and I believe our growth is indicative of the quality of our people and unique offering, which allow customers to execute payments in exotic currencies by utilizing our vast network of local correspondent banks. With more than 20 years of experience in providing payments to the developing world, our services provide clients the advantages of partnering with a foreign exchange solutions provider that liaises directly with local banks and regulators, and possesses deep knowledge of local markets."

I asked Carsten if the Fintech revolution in crypto currencies is part of their corporate strategy and Carsten said, "The problem for us with alternative payments is primarily compliance concerns. We have to understand how a payment originated and who the ordering client is. We have dedicated a significant amount of resources and spend a good deal of money on our systems and network with respect to the customer experience and compliance, and as such our focus will remain on eCommerce and our institutional clients; crypto currencies are a non-starter for us. We have a very unique geographical reach and provide an unmatched level of transparency to the payments process, which ultimately allows our customers to control pricing and avoid the pitfalls associated with sending hard currency to be converted in local markets."

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