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Winning the approval game: a guide to cross-border payments

Closing the revenue shortfalls hiding in approval rates, FX, fees, and compliance

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Cross-border transactions are declined at rates no business would accept at home. Having optimized billions of transactions across our global network, we can tell you that most of it isn't fraud or regulation. It's infrastructure, and infrastructure can be changed.

The numbers behind today's cross-border economics

5–15pp

How far cross-border authorization rates run below domestic, when payments are not optimized.

WHAT IT MEANS

On $200M of cross-border volume, closing a third of that difference recovers millions in revenue from customers who already said yes.

$430B

Estimated annual cost of false declines to merchants globally, legitimate customers turned away by over-cautious risk logic.

WHAT IT MEANS

False declines now cost merchants 10+ times more than actual fraud. The marginal dollar comes from being declined less, not blocking more.

$1.21T

Cross-border e-commerce market value as of 2026.

WHAT IT MEANS

Every point of unmanaged friction, in approval, FX, or compliance, compounds against a growing base.



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An issuer's authorization model typically doesn't evaluate your customer. It looks at a transaction object such as an acquirer BIN, a descriptor, a currency, an authentication status. Arriving via a foreign acquirer strips out its strongest trust signals, leaving it with an unfamiliar BIN, unrecognized descriptor or FX the issuer can't fully price. The model does what models do with missing trust, it declines the transaction altogether.



An issuer never declines your customer. It declines the way your transaction presents itself.

Declines are signals about your payment architecture, and approval is only one part of the picture. FX handling and compliance overhead erode the same margin from angles most teams don't segment out. From our vantage point processing volume across a global network of local and cross-border acquirers, seven practices consistently separate merchants who capture this revenue from those who leave it on the table.

Our cross-border performance data shows the difference these practices have already made for our customers:

+ 7.7%

WITH NUVEI

Nuvei customers with North American shoppers buying from European merchants saw approval rates climb by 7.7% year-over-year, the sharpest gain within a broader 3.3% average improvement across priority markets: APAC, Europe, and NA.

37%

WITH NUVEI

Merchants across these same priority markets grew cross-border volume 37% year-over-year, proof that approval performance scales with growth instead of trading off against it.

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A step-by-step action plan for the highest ROI

1. Localize acquiring

Local acquiring rewrites the transaction object the issuer sees: domestic BIN, familiar descriptor conventions, local currency, no cross-border assessment fees inflating the cost stack. The issuer's model recognizes the shape of the transaction and the interchange economics stop punishing it.

+16%

WITH NUVEI

Acceptance-rate uplift merchants can see by moving priority-market volume onto local acquiring instead of routing everything through a single acquirer, with lower interchange and FX cost alongside.

Run it hybrid, not absolutist: local rails where volume and uplift data justify the setup, cross-border rails for long-tail markets and redundancy. The right question isn't "local or cross-border?", it's "at what volume does each market flip?", recalculated quarterly.

MOVE TO MAKE

Rank markets by cross-border volume × approval shortfall vs. domestic baseline. Pilot local acquiring in your worst corridor first; that's where it moves the needle most.



2. Route in real time

Plenty of multi-acquirer setups behave like single-acquirer setups with static tables, failover-only logic, and unoptimized retry rules. Real-time decisioning evaluates every transaction (market, BIN, currency, amount, 3DS status), scores cost and risk, routes to the best-fit acquirer, and feeds the outcome back into the model. A table is a snapshot; a decisioning layer is a learning loop.

MOVE TO MAKE

Audit your routing logic's age. If rules haven't changed in six months while your issuer mix has, you're routing on assumptions.

Billions

Of transaction data points power our smart routing, selecting the path most likely to be approved based on issuer preferences, authentication logic, and card-brand behavior, per transaction.

3. Recover declines

A soft decline is the start of a negotiation, not the end of a sale. Read the response code in real time, adjust the payment parameters, and resubmit before the customer ever sees a failure. And when the issue is insufficient funds, a partial approval rescues a sale that would otherwise vanish entirely.

25%

WITH NUVEI

Of transactions recovered through cascading retries. Decline response is analyzed, parameters adjusted, transaction is resubmitted within milliseconds. That's declined revenue converting at zero acquisition cost.

MOVE TO MAKE

Segment your declines (soft vs. hard), by issuer and code. If soft declines aren't recovered on first attempt, retries are your fastest recoverable revenue.

4. Tokenize the network

Network tokens replace static PANs with dynamic, scheme-issued credentials that issuers inherently trust, and that keep working when cards expire or are reissued. Combined with one-time-use cryptograms and token-to-PAN fallback, tokenization lifts authorization while cutting fraud exposure and PCI scope at the same time.

3-6pp

INDUSTRY BENCHMARK

Authorization-rate lift Mastercard reports on tokenized volume. It's one of the few moves that improves approval, fraud, and compliance posture simultaneously.

MOVE TO MAKE

Prioritize tokenizing recurring and stored-credential volume; it's where reissued-card failures drain approval rates most.

5. Localize checkout

Digital wallets now account for 56% of global e-commerce value, and 77% in APAC alone. Add PIX in Brazil, UPI in India, and iDEAL in the Netherlands, and it becomes clear that local acquiring only solves half the problem. If checkout doesn't offer the payment methods people actually use, those customers never even reach the point where a decline could happen, they just leave.

Wallets also carry a hidden authorization benefit. They arrive tokenized, device-authenticated, and rich in exactly the trust signals issuer models reward. In wallet-led markets, shifting method mix is itself an approval-rate strategy, beyond a conversion play. The same thinking applies to SCA. Managed exemptions and issuer-aware 3DS step-ups turn European authentication from compliance friction into an approval advantage. With PSD3/PSR reshaping requirements, merchants who automate those controls will spend 2026 optimizing while competitors spend it remediating.

MOVE TO MAKE

For each priority market, compare your method mix to local share-of-wallet data. Mismatches there are lost customers you never even got to authorize.

6. Optimize FX and fees

Every cross-border transaction that settles through the wrong currency stack carries a markup few merchants see line by line: a conversion spread here, a cross-border assessment there, a correspondent charge that never appears as its own line on an invoice. None of it shows up as a single fee. All of it compounds at volume, compressing margin long after the sale is booked.

2-5%

INDUSTRY BENCHMARK

Typical FX markup buried in a cross-border transaction when currency conversion isn't actively managed, usually invisible until reconciliation.

Local acquiring already solves part of this by settling in local currency and cutting cross-border assessment fee.

What's still missing for most merchants is visibilityknowing the true, all-in cost of a transaction, rather than the processing rate quoted on the contract.

MOVE TO MAKE

Reconcile your all-in cost per corridor, interchange, assessment fees, and FX spread combined, not just the headline processing rate. That's where margin is lost.



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7. Automate compliance

Every new market adds its own licensing, KYC/AML, and reporting requirements: VAT registration in one country, sales-tax nexus across dozens of US states, GST in another. Handled manually, compliance becomes a tax on growth that scales headcount faster than revenue.

$61B

INDUSTRY BENCHMARK

Estimated annual cost of financial-crime compliance across North American institutions alone, before a single new market is added to the mix.

Compliance automation doesn't remove these requirements, but it does remove the manual work behind them: screening, KYC/AML checks, and audit trails that run continuously in the background instead of landing on someone's desk at quarter-end. Merchants who automate this early treat compliance readiness as a launch gate for new markets, not a fire drill after entering one.

MOVE TO MAKE

Before entering a new market, map its licensing, KYC/AML, and tax obligations against what your current stack already automates. Blind spots there become launch delays.

What good execution looks like in practice

- Segment approval rates by market, issuer, BIN range, and method; a 92% blended average can hide an 82% problem in your fastest-growing corridor.
- Make decline-code analysis a weekly rhythm, classify root causes as risk, technical, or compliance.
- Re-run the local-vs-cross-border calculation quarterly as approval data comes in; markets flip as volume grows.
- A/B test routing, retry, and 3DS logic, and feed every outcome back into the decisioning layer.
- Track true landed cost per transaction, fees, FX spread, and compliance overhead, not just the processing rate.
- Test failover across acquirers before peak events, not during them.

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Trusted by leaders in every industry

"As we've moved into new markets, Nuvei has been phenomenal at guiding us on how to optimize our customer experience and transaction flow. With new destinations come new challenges, so Nuvei is offering us consultancy, advice and guidance."

Keli Sandeman, Payment Strategy Manager at Virgin Atlantic

"Nuvei allows us to quickly add new payment methods to boost conversion rates – delivering on our mission to bring the trendiest products to consumers worldwide, affordably and quickly."

Ted Wang, Global Head of Payments at SHEIN

"At TransferGo, delivering fast, reliable, and cost-effective cross-border payments is at the heart of our mission. Our partnership with Nuvei sharpens our competitive edge by allowing us to benchmark our rates, ensuring pricing transparency and adding more value for our customers."

Simon Moran, Chief Commercial Officer at TransferGo

"At Paysend, we're on a mission to simplify cross-border payments for everyone by creating the world's biggest open, instant digital payment network. BLIK was a vital component in our mission and Nuvei enabled us to expedite our time to market."

James Cresswell, Global Head of Network & Partnerships at Paysend



DATA SOURCES

Nuvei figures reflect merchant performance on Nuvei's network, YoY 2025–2026: +16% acceptance uplift, 25% retry recovery, partial approvals, +5.2pp NA-to-Europe corridor approval improvement, +2.7pp average priority-market approval improvement, and 37% priority-market cross-border volume growth. External benchmarks: cross-border authorization rates running 5–15pp below domestic (industry benchmarks, 2026); false declines costing merchants an estimated ~$430B globally each year (Signifyd, https://resources.signifyd.com/insights-gap/c/authorization-rate-optimize-fearless-payments); The global B2C cross-border e-commerce market value of $1.21T in 2026 (ECDB); digital wallets at 56% of global e-commerce value and 77% of APAC online spend (Worldpay Global Payments Report 2026); 3–6pp authorization lift on tokenized volume (Mastercard); typical FX markup of 2–5% on unmanaged cross-border transactions (industry benchmarks, 2026); ~$61B annual financial-crime compliance cost across North American institutions (industry compliance-cost research, 2025).

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About Nuvei

Nuvei is the global fintech building the infrastructure for every payment, everywhere. Its modular, flexible, and scalable technology enables leading companies to accept next-generation payments, offer all payout options, and benefit from banking, risk, and fraud management services.

Connecting businesses to their customers in more than 200 markets, with local acquiring in 52 markets, 150 currencies, and over 720 alternative payment methods, Nuvei provides the technology and insights for customers and partners to succeed locally and globally through one integration.



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For more information,
visit www.nuvei.com