

eGuide

Cross-border payments: How to expand to Europe

About the research

Airwallex partnered with Statista to survey cross-border eCommerce shoppers, defined as anyone who has shopped internationally in the last 12 months through any type of online shop, such as marketplaces or directly from a merchant's website. The survey included 1,000 respondents from each of the following countries: Germany, France, and the Netherlands, and was completed in January 2025. Our goal was to understand how shoppers in mainland Europe purchase products online when buying from another country. Our survey participants come from diverse backgrounds and age ranges, representing a typical sample of shoppers within mainland Europe.

All mentions of Europe in this guide refer to mainland Europe and do not include the UK.

Some key findings from the survey include:

- The majority of shoppers across mainland Europe are comfortable with making cross-border purchases online.
- Digital payment methods are strongly preferred over credit cards by shoppers in the Netherlands and Germany, while shoppers in France have an equal preference for both types of payment methods.
- Different generations vary in their online purchasing behaviour, with younger generations rating the availability of buy now, pay later (BNPL) options as an important aspect of the checkout experience.
- Frictionless checkouts are non-negotiable: Shoppers in mainland Europe prioritise local pricing and familiar payment method options.

In our insights:

- Gen Z refers to those born between 1997–2012
- Millennials refer to those born between 1981–1996
- Gen X refers to those born between 1965–1980
- Baby Boomers refer to those born between 1946–1964

Digital payment methods refer to global eWallets (e.g. Apple Pay and Google Pay) and any further country-specific digital payment methods (e.g. Trustly, GrabPay, and Alipay). They exclude credit cards, debit cards, bank transfers, and buy now, pay later (BNPL) options.

All data referenced in this guide, unless otherwise stated, comes from this research.

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Payments: the lynchpin of your European expansion strategy

Europe's eCommerce market is booming. Revenue is expected to show an annual growth rate (CAGR 2025–2029) of 7.95%, resulting in a projected market volume of US\$961.30 billion by 2029. More than a quarter of all online sales come from cross-border purchases, making it a huge opportunity for businesses looking to expand. Payments might not seem like a priority when planning your Europe expansion, but they're critical to acquiring customers, running smooth operations, and scaling profitably.

Our recent research in partnership with Statista shows that shoppers in Europe have payment preferences as varied as the region's cultural and economic landscape.

You can't do business in the Netherlands without offering iDEAL, while in France, Cartes Bancaires is the most trusted way to pay. In Germany, shoppers prefer Girocard over credit cards. Buy now, pay later (BNPL) is also gaining traction, especially among younger shoppers looking for flexibility. Understanding these preferences helps you build trust and increase conversions at checkout.

Selling across Europe is also simpler than you might think. The euro (€) is the official currency in 20 out of 27 European Union (EU) countries, making it easy to price products in one currency and sell to multiple markets. Offering local currency pricing is key to reducing cart abandonment and increasing customer confidence.

With the right payment partner, you'll be able to do business in Europe like a local. You can open a business account without having to set up an entity in Europe, accept payments via multiple local methods, and settle payments in your preferred currency. You'll be able to do all of this without unnecessary foreign exchange (FX) fees, while staying secure and compliant with local regulations.

What shoppers in Europe want

Shoppers in Europe are buying online more than ever, with 75% of shoppers in France, 83% of shoppers in Germany, and 84% of shoppers in the Netherlands clicking “buy now” at least once a month. More than half of Gen Z and Millennials in these countries also buy from international merchants every month. They shop across borders for better prices, exclusive products, and access to global brands. Marketplaces like Amazon, Etsy, and Bol.com dominate, but luxury buyers are increasingly purchasing directly from merchant websites.

Local payment methods matter for cross-border sales

For cross-border transactions, you’ll need to make sure that shoppers in Europe can pay with digital payment methods, including Apple Pay and Google Pay, favoured by 60%. While credit and debit cards continue to be popular, buy now, pay later (BNPL) options are growing rapidly. Gen Z and Millennials, in particular, rely on BNPL to spread out the cost of higher-value purchases.

If you are selling within the union, you need to offer market-specific payment options. Shoppers in the Netherlands expect iDEAL, while Satispay is widely-used in Italy. In Scandinavia, Trustly and Klarna are essential for bank transfers and BNPL. Paysafecard and Skrill remain popular in select regions, particularly for prepaid online transactions. Offering the right mix of payment options ensures a smooth checkout experience and maximises conversions.

A fast, familiar, and secure checkout experience builds trust

When it comes to a familiar checkout experience, 93% of shoppers in Europe expect to see clear pricing in their local currency. Being able to pay with preferred payment methods like credit cards or digital payment methods is also important, according to 91% of shoppers in France, 89% in Germany, and 83% in the Netherlands. In the Netherlands in particular, the availability of digital payment method options like Apple Pay, Google Pay, and iDEAL is important to 94% of shoppers.

And younger Gen Z and Millennial shoppers won’t wait around to make a purchase. They want one-click payments, auto-filled details, and a mobile-friendly experience. Redirecting customers to another site for payment can increase drop-off rates, with nearly half saying it negatively affects their shopping experience.

Visible security features like Secure Sockets Layer (SSL) encryption and Payment Card Industry Data Security Standard (PCI DSS) compliance also matter to more than 85% of shoppers in each market.



93%

of shoppers in Europe expect to see clear pricing in their local currency.



94%

of shoppers in the Netherlands find the availability of digital payment method options important.

What shoppers in Europe are buying

Fashion, electronics, and beauty products top the list of cross-border purchases. In France, luxury shoppers prefer to buy directly from brands, with 24% choosing merchant websites over marketplaces. Product preferences also shift by demographic. Men (73%) are more likely to buy electronics than women (46%), while women (50%) buy more skincare and beauty products than men (33%).

Buy now, pay later (BNPL) is reshaping spending habits, especially for high-value purchases. 36% of shoppers use the payment method for fashion, and 31% prefer it for electronics.

Buy now, pay later (BNPL) is reshaping spending habits

36%

of shoppers use the payment method for fashion.

31%

of shoppers use the payment method for electronics.

Seasonal sales drive international purchases

Shoppers across Europe time their purchases around key sales moments, including Black Friday, Cyber Monday, and Valentine's Day. 58% of shoppers plan their spending around these events, rising to 75% for Gen Z and Millennials. Brands that offer discounts and frictionless checkout experiences see higher conversions during these peak sales periods.

Expanding into Europe is a huge opportunity, but success depends on building trust and letting your new customers pay in their preferred way. Airwallex simplifies cross-border payments, helping you offer local payment methods, transparent pricing, and a smooth checkout experience. With the right partner, you can increase conversions, reduce friction, and scale your business across new markets.

The essentials: tax and compliance in Europe

Expanding your business into Europe means navigating Value Added Tax (VAT) rules, product compliance, and data protection regulations. The good news is that the EU offers systems like the One Stop Shop (OSS) to simplify tax reporting, making it easier to sell across multiple countries. Still, getting set up correctly from day one is key to avoiding compliance headaches down the road.

VAT requirements depend on your sales volume and where your customers are located. If your annual sales to EU-based consumers exceed €10,000, you'll need to register for VAT. The OSS system lets you register your business in just one EU country and report all cross-border sales through a single VAT return. If you're shipping goods valued under €150, the Import One Stop Shop (IOSS) lets you charge VAT at the point of sale, ensuring a smoother delivery process for customers.

You'll also need to comply with EU product safety laws and consumer protection regulations. If you sell electronics, for example, your products must meet CE marking and RoHS standards. Non-EU exporters must appoint an EU-based economic operator to handle product issues and consumer queries. General Data Protection Regulation (GDPR) compliance is also non-negotiable, meaning you have to obtain consent before collecting customer data and provide options for customers to access or delete their information.

To efficiently handle payments and VAT reporting, you need a secure and compliant business account. An account with local bank details also helps you process payments in euros, build trust with local customers, and streamline tax payments. But opening an account through a traditional bank can be slow and complex, especially if you don't have a legal entity in the region.

How Airwallex helps you stay compliant

Airwallex Business Accounts simplify your financial operations as you expand to Europe, whether you decide to set up an entity in Europe or not. When you open a EUR currency account, you'll be able to send, receive, and hold funds in EUR, just like a local business would.

Built-in security	Airwallex meets international compliance standards like the Payment Card Industry Data Security Standard (PCI DSS) and Service Organization Control 2 (SOC 2) to protect financial data and customer transactions.
Tax-ready financial tools	Sync with accounting platforms like Xero and QuickBooks to categorise expenses and generate financial reports.
Licensed and regulated globally	Airwallex is licensed and regulated globally, including by the Dutch Central Bank for the European Economic Area.
Unified reporting system	Airwallex consolidates and standardises transaction and settlement data across all payment methods, helping you maintain control and compliance.

Localise the checkout experience

Localising the checkout experience with local currencies and payment methods improves conversions and reduces cart abandonment. If you only offer credit cards like Visa and Mastercard, you'll only reach 39% of shoppers in Europe who prefer this payment method for cross-border purchases. When expanding to Europe, integrating with digital payment methods like Apple Pay, Google Pay, and PayPal are a must if you're looking to meet 60% of shoppers' payment preferences.

In our recent survey, we found that:

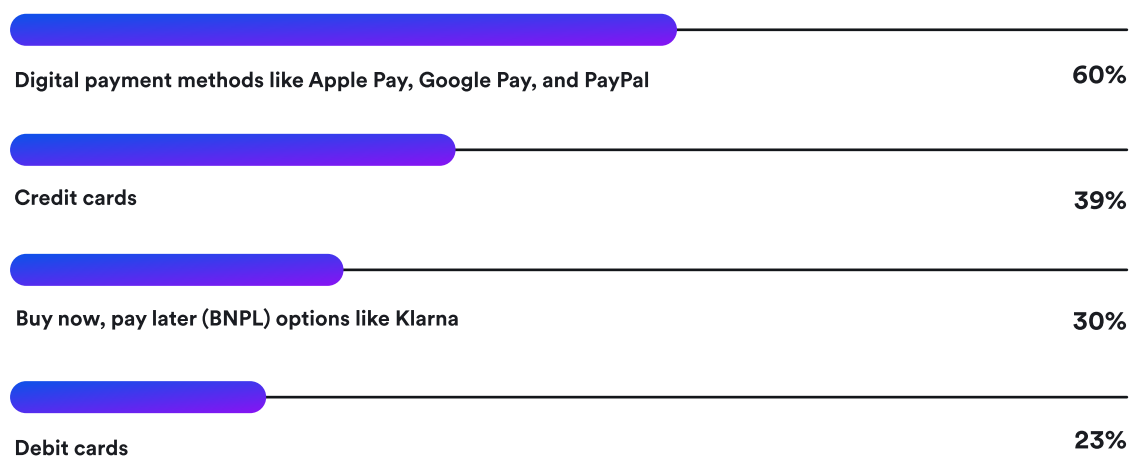
93%

of shoppers in Europe say seeing prices displayed in EUR influences their decision to make a purchase.

88%

said that the ability to pay using their preferred payment methods like credit cards or digital payment methods was the most important aspect of the checkout experience.

Payment methods preferred by shoppers in Europe when purchasing from abroad:



How Airwallex localises the checkout process

Airwallex offers no-code, low-code, and fully-customisable APIs that give you access to:

Major card schemes and 160+ local payment methods

These include popular options like Visa, Mastercard, and PayPal as well as local ones such as Sofort to help you drive a higher checkout conversion rate. Direct connections to major card scheme networks optimise payment success rates.

BNPL options

Drive higher average order values and checkout rates by offering options such as Klarna.

Automatic currency conversion and pricing display

Customers see exact costs in EUR at checkout.

Save on payment processing costs

Cross-border payments often come with currency conversions and transfer fees, which can quickly add up. Here's how you can minimise these costs and maximise your bottom line:

1. Look for market-leading FX rates

One of the most significant hidden costs of cross-border payments is the markup on foreign exchange (FX) rates. Many providers add a margin to the mid-market “interbank” rate, which is the rate banks use to trade currencies with one another. These markups can inflate costs without being immediately obvious.

2. Save on conversion costs with like-for-like settlement

Holding and settling payments in the same currency can eliminate unnecessary FX conversions. For example, if your business has both revenue and expenses in EUR, using a provider that offers multi-currency accounts can allow you to make and receive payments in EUR. This feature avoids conversion fees and shields you from the impact of fluctuating exchange rates.

With like-for-like settlement, you can avoid FX conversions at these key points in the payment process:

1

At the point of sale when your customer pays in a different currency than your default currency.

2

When you transfer funds out of your payment platform to your merchant account in a different currency.

3

When you pay international suppliers and need to convert currencies again.

3. Choose providers with competitive fees

Cross-border payments typically incur initiation and receipt fees, as well as surcharges from any intermediaries involved. Modern fintech platforms, like Airwallex, build their own payment infrastructure. This model is more cost-efficient and allows for transparent pricing structures and faster processing times.

How Airwallex saves on costs

Competitive FX rates

Get market-leading FX rates on 60+ currencies, avoiding inflated margins, so you can keep more of your revenue.

Multi-currency accounts for like-for-like settlement

Accept and hold funds in their original currency, such as EUR, and use the same balance to pay suppliers without unnecessary conversions or fees.

Transparent pricing and faster settlements

Benefit from cost-efficient international payments and improved cash flow when you can make and receive payments faster.

CURRENTBODY

THE BEAUTY TECH EXPERTS

“Airwallex has been instrumental in supporting CurrentBody’s global operations. Now we can manage multiple currencies effortlessly, making cross-border transactions far less complex.”

Ryan Hewitt, Head of Finance, CurrentBody



DALSTRONG

“Airwallex saves us \$40,000 annually in collections costs from our sales on Amazon, which is the majority of our sales in the US market. It also allows us to ‘repurpose’ our international currencies. For example, if we sell in Europe we can pay European suppliers in euros as well.”

Edward Agaba, Controller, Dalstrong

Drive higher conversions

By using the right tools and strategies, you can reduce failed transactions, improve authorisation rates, and maximise your revenue potential.

Use machine learning to optimise success

When assessing payment providers, check that they incorporate machine learning (ML) technologies. ML-powered optimisation engines analyse transaction data in real time. They then use this data to improve acceptance rates and reduce failed payments.

Another ML-driven tool, automatic retries, can increase sales conversions by reattempting failed payments. This feature is especially important for reducing payment failures caused by technical glitches or temporary card declines.

Reduce checkout friction

Features like autofill, saving payment details for repeat purchases, and guest checkout options instead of having to create an account, make the checkout experience faster and more intuitive. On top of that, displaying progress indicators during checkout can help reduce uncertainty and keep customers engaged.

How Airwallex drives conversion rates

Advanced machine learning tools

Airwallex's checkout optimisation engine and smart 3D Secure (3DS) strategies increase transaction approvals by keeping fraud low. Automatic retries help by reattempting payments when errors occur.

Direct connections to card networks

Reduce reliance on third parties to improve authorisation rates and reduce processing costs.

Higher approval rates

Features like tokenization and optimised messaging improve how payments are processed to reduce errors and false declines.

Better checkout experiences

With automatic currency conversion and access to local payment methods, shoppers see prices in their own currency and can use familiar payment options.

Build trust with secure payment experiences

Checkout security is a top priority for customers. 86% of shoppers in Europe rank visible security badges as one of the most important features of any checkout experience. Putting strong security measures in place can ease those worries, help you build trust, and encourage repeat purchases.



Prevent fraud

Preventing fraud is the first line of defence for businesses handling cross-border payments. Modern payment platforms leverage machine learning and artificial intelligence (AI) to create intelligent security networks that analyse transaction patterns in real time. This technology helps identify and flag suspicious activities before they escalate.

Dynamic fraud prevention features, such as 3D Secure (3DS), perform security checks based on risk level. Low-risk payments are processed quickly, while higher-risk transactions receive extra scrutiny to prevent fraud.

Comply with data privacy laws

The European Union operates under a unified framework known as the General Data Protection Regulation (GDPR). The GDPR grants individuals extensive rights over their personal data and requires businesses to be transparent about how they use this information. To remain compliant, ensure you implement clear privacy notices, provide customers with access and deletion options for their data, and maintain robust security measures. It's also a good idea to seek legal advice.

Key security features:



3D Secure authentication provides a strong layer of protection for online card transactions.



Secure Sockets Layer (SSL) certificates encrypt data during transmission to maintain confidentiality and integrity.



PCI DSS compliance ensures that payment card information is handled securely.



Visible trust badges at checkout reassure customers that their data is safe.

It's also a good idea to make your security measures visible, so your customers feel confident about completing their purchases.

How Airwallex maintains security

Airwallex takes care of all of these complicated security and compliance matters for you with:

Fraud prevention

Fraud detection engines built on machine learning and artificial intelligence protect against online fraud while reducing instances of false alerts to keep payments moving for genuine customers. Features like 3D Secure authentication and risk-based checks add extra layers of protection where needed.

Regulatory compliance

Airwallex meets global standards like PCI DSS Level 1 and SOC 2 and ensures your business complies with EU laws, including the General Data Protection Regulation (GDPR).

Data protection

Encryption technologies like Transport Layer Security (TLS) v1.2 and Advanced Encryption Standard (AES256) keep customer information safe during transmission and storage.

Optimise cash flow

Managing cash flow effectively lets you cover operational costs, invest in growth, and stay agile in a competitive market. But when you expand to new markets, managing multiple local entities and payment solutions as well as FX and transfers can all complicate your operations. These hurdles can eat into your margins and slow your growth. If you're a growing business, you'll know how critical it is to maintain efficient cash flow to cover things like supplier and ad spend.

Simplify financial processes

To stay efficient, focus on streamlining your financial systems. A simple, consolidated approach makes it easier to manage cash flow and plan for growth.

Key steps include:

- Matching income and expenses to avoid cash gaps
- Consolidating financial data to track transactions in real time
- Minimising costs associated with cross-border payments and currency exchanges

Gain clarity with real-time insights

Juggling multiple currencies and payment systems can lead to delays and errors in tracking your cash flow. Real-time financial insights give you the visibility you need to stay in control.

When you have a clear picture of your finances, you can:



Spot potential issues early and address them quickly



Identify cost-saving opportunities or inefficiencies



Make informed decisions to support your goals in the European market

How Airwallex can improve your cash flow

Airwallex lets you quickly and cost-effectively manage all financial operations on a single platform.

Real-time financial insights

Consolidate and view all your financial transactions, balances, and cash flow across all payment methods in a single dashboard, so you can make informed financial decisions quickly.

Automated reconciliations

Automatically sync with platforms like Xero and Quickbooks to save time on bookkeeping.

Increased liquidity

Receive and spend funds on a single platform with no or low transfer and FX fees. 95% of transfers go through local payment rails and arrive within the same day.



"I see Airwallex as a one-stop shop for payment acceptance, global payouts, and so much more. Here's how I'd put it to other businesses: You can start in one place with Airwallex, and then you can grow."

Daven Johnson, Founder & CEO, Gimme Swag

How Karst Stone Paper expanded globally

Karst

Karst Stone Paper is redefining paper for the 21st century with recycled stone paper sketchpads, notebooks, treeless pencils, pens with sustainable ink refills, and other eco-friendly alternatives. The small, Sydney-based company launched in 2017. It attracted 10,000 customers in its first six months and has continued to grow approximately 50% year-on-year since then. Today, Karst has expanded to serve more than 60,000 customers in 90 countries. Let's take a closer look at how they made it happen.

Karst Stone Paper faced major hurdles in handling global payments. High transfer fees, tricky currency conversions, and the absence of a streamlined financial management system were real roadblocks to the business' growth. It was clear that to grow and expand the customer base, the team needed to address these issues head-on.

Karst took a step forward by partnering with Airwallex to tackle these hurdles. Here's how Airwallex's solutions helped it expand cross-border:

Global payment acceptance

Airwallex's quick and secure online checkout has broadened Karst's reach to accept payments in 180+ countries via 160+ local payment methods, bringing in more wholesale and distribution clients and boosting customer satisfaction and loyalty.

Multi-currency accounts

Karst can now accept payments in local currencies straight from customers and partners all over the world. For instance, a customer in the US can pay Karst in USD, which Karst can then use to pay a US-based supplier, avoiding unnecessary currency conversions.

FX & Transfers

Karst managed to save 10% on transfer fees by sidestepping extra currency exchanges. By handling local currencies more efficiently, they've been able to reduce costs.

Corporate Cards

Using Corporate Cards across various departments has simplified the payment process, cut down reconciliation time, and boosted financial integrity.

Partnering with Airwallex has been key to driving Karst's cross-border expansion. A single integration with Airwallex has given its global customers options to pay in local currencies and preferred payment methods at checkout. At the same time, Karst remains secure and compliant with local regulations wherever it operates, while being able to streamline its end-to-end financial operations all on one platform.

10 Top tips

Market expansion experts share their top tips

Understand individual market trends



Wilson Ng

Mid-Market Lead at
Google Customer Solutions,
Hong Kong

“Consumers are expected to continue to spend despite inflationary pressures. To drive sustained, profitable growth and resonate with increasingly savvy online consumers, businesses will need to understand individual market trends. Globally, the path to purchase has grown more complex, with 60% of consumers in surveyed markets now taking six or more actions before deciding to buy a brand or product that's new to them.”

Chart your path for long-term growth



Anthony Leung

Managing Director at
FedEx, Hong Kong and
Macau

“While the world remains uncertain, the demand for eCommerce businesses continues to grow. Expanding globally offers a path to new opportunities and customer connections. From parcels to freight, it's important to look for a one-stop-shop like FedEx for reliable global delivery and smart digital solutions to streamline supply chains and grow your business cross border.”

Take a global mindset from day one



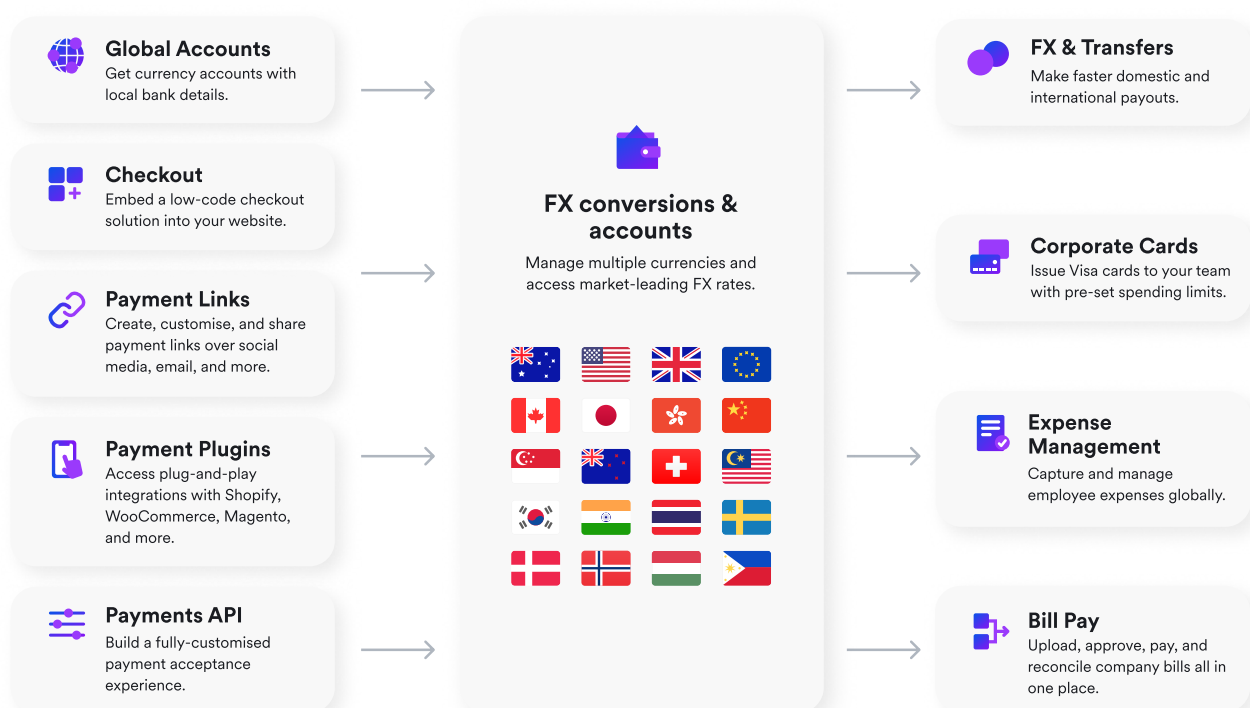
Immy Spence

Vice President, Commercial,
UK at Airwallex

“Global eCommerce is constantly shifting. With more businesses expanding into new markets like Southeast Asia, Latin America, and the Middle East, your next cross-border opportunity might just be around the corner. My top advice is to partner with providers that are built to be global from day one to truly future-proof your business.”

How Airwallex can help you expand to Europe

A key part of expanding to Europe is being able to make and receive payments like a local. You need a partner that supports your end-to-end financial operations – it should let you accept, hold, and transfer funds from one platform. You’ll also need to offer customers in Europe quick and familiar ways to pay, whilst remaining secure and compliant. Here’s where you can partner with us.



Gain global reach

Expand your customer base and streamline operations with Airwallex's global payment infrastructure, designed to connect you to customers in 180+ countries.

- **Access major credit card schemes and 160+ local payment methods:** Offer popular options such as Visa, Mastercard, and PayPal as well as local ones such as Sofort and Satispay to meet the needs of shoppers in Europe and maximise your checkout conversion rates.
- **Multi-currency payment acceptance:** Accept payments in 130+ currencies including EUR. Display prices in your customer's local currency to create a familiar payment experience and boost trust.
- **Global Accounts with local bank details:** Open accounts with local bank details, including a EUR account, to receive payments as if you were a local business in the Eurozone.

Save costs

Airwallex reduces the costs of cross-border payments, helping you improve your margins.

- **Market-leading FX rates:** Save up to 80% on foreign exchange fees with competitive mid-market exchange rates.
- **Like-for-like settlement:** Eliminate unnecessary currency conversions by receiving, holding, and spending funds in EUR.
- **Transparent pricing:** Avoid hidden fees on transfers and payments, with clear, predictable costs for all your financial operations.

Optimise payment success

Ensure your payments go through smoothly with advanced tools to improve authorisation rates and minimise failed transactions.

- **Machine learning-powered optimisation:** Maximise payment success rates with tools like optimised messaging and smart retries that reduce technical declines.
- **Advanced fraud detection:** Protect your business with real-time fraud detection systems that block suspicious activity without disrupting legitimate payments.
- **Direct connections to card networks:** Route transactions through card schemes without relying on a third-party provider.

Maintain security and compliance

More than 150,000 businesses trust Airwallex to process over US\$100 billion in global payments annually.

- **Secure funds:** Funds are held in leading financial institutions and safeguarded in line with the local regulations where Airwallex operates.
- **Security controls:** Airwallex security controls are monitored 24/7 to keep your account safe.
- **International standards:** Airwallex meets the highest international security standards, including PCI DSS, SOC 1, and SOC 2, as well as local regulatory requirements.
- **Licensed and regulated:** Airwallex is licensed and regulated by various financial authorities globally, including by the Dutch Central Bank for the European Economic Area. This means it's obligated to follow strict security protocols.

It's easy to get started

The first step to making and receiving payments like a local is opening a Business Account on Airwallex – no trip to the bank or complicated paperwork needed. Combined with our payment solutions, you can boost your checkout experience. Create, share, and customise no-code Payment Links, or use our plug-and-play integrations to expand your breadth of payment methods on platforms like Shopify, WooCommerce, Magento, and more. Alternatively, embed a low-code checkout solution on your website or customise your own solution with our Payment APIs.

About Airwallex

Airwallex is a leading global financial platform for modern businesses, offering trusted solutions for global payments, treasury and expense management, and embedded finance. With our proprietary infrastructure, Airwallex removes the friction from global payments and financial operations, allowing businesses of all sizes to unlock new opportunities and grow beyond borders. Proudly founded in Melbourne, Airwallex powers over 150,000 businesses globally and is trusted by brands such as Brex, Rippling, Navan, Qantas, SHEIN, and many more.

For more information, visit www.airwallex.com.

