Your cheapest payout partner may be your most expensive route.

How FX, funding and settlement costs change the routing decision.

WHICH ROUTE ACTUALLY COSTS LESS?

ROUTE A	ROUTE B
$1.20 fee	$1.80 fee

A worked example + a practical review checklist →

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Compare the same payment.

A lower fee is meaningful only when the rest of the payment is comparable.

01 **Same customer outcome**

Same sender charge, beneficiary amount and delivery requirements.

02 **Same comparison basis**

One reporting currency, one FX benchmark and current quotes.

03 **Same cost boundaries**

Separate payout, FX and funding fees. Count each cost once.

Then compare the total. →

Higher fee.
Lower direct cost.

Illustrative costs per payout, in USD.

COST COMPONENT	ROUTE A	ROUTE B
Payout fee	$1.20	$1.80
FX cost*	$2.60	$1.50
Funding fees	$0.80	$0.40
TOTAL DIRECT COST	**$4.60**	**$3.70**

$0.90 less per payout on these direct costs, despite the higher payout fee.

Same sender charge and beneficiary amount. Separate, non-overlapping cost inputs; not actual provider pricing.

*FX cost is measured against one common benchmark. Other operating costs are outside this example.

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Make eligibility the first gate.

A cheap quote is useful only if the route can deliver the payment.

01

ELIGIBLE

Corridor, currency, beneficiary, limits and required checks.

02

EXECUTABLE

Usable balance or approved funding arrangement; valid quote; delivery target.

03

MEASURABLE

Store the quote ID, pricing inputs, route reason and provider references.

Rank eligible routes by expected direct cost.
Monitor actual delivery and settled costs.

Close the loop after settlement.

Expected cost is a forecast.
Settled cost is the evidence.

ILLUSTRATIVE FOLLOW-UP FOR ROUTE B

EXPECTED	SETTLED	VARIANCE
$3.70	$3.90	+$0.20

- Match the quote, payout, ledger and statement.
- Explain fee, FX and funding differences.
- Update route assumptions from verified outcomes.

Keep capital separate.

Prefunded principal is not an expense. Track balances, funding fees and capital cost separately.

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One corridor.
A clearer decision.

Before adding another payout API,
review these five questions.

- Can you reproduce why each route won?
- Are quotes current and comparable?
- Can it fund and deliver this payout?
- Do settled costs match the estimate?
- Does one person own unexplained variance?

Adding partners or scaling a corridor?

DM "ROUTING"

with your corridor + current routing approach.
Let's discuss a focused architecture review.

TECHNICAL REFERENCES

Wise Platform: authenticated quotes

Funding a transfer

Framework and examples: Brajkishor Pandey. Figures are illustrative.

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