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From Disruption to Integration: How Global Payments Giants are Absorbing Blockchain and Tokenisation

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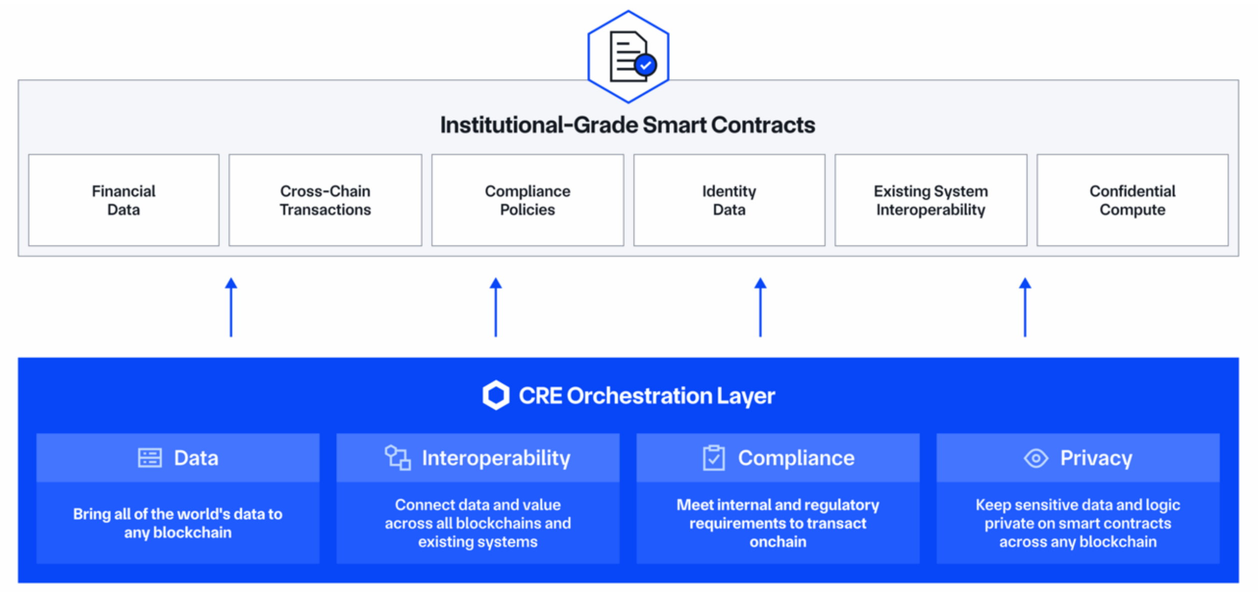
Executive Summary

- Major financial networks such as SWIFT, Western Union, Visa and Mastercard are effectively embedding blockchain, tokenisation and stablecoin into existing systems, shifting from experimentation to adoption.
- What makes this moment decisive is that incumbents are no longer keeping blockchain in the lab.
- SWIFT has moved its blockchain-based shared ledger into MVP implementation, Mastercard is acquiring BVNK to connect on-chain payments with fiat rails.
- Meanwhile, Western Union is building a stablecoin and digital-asset network as part of its core infrastructure rather than as a side experiment[1].
- Initiatives like SWIFT's Ethereum-compatible shared ledger MVP, Western Union's USDPT stablecoin pilot and VISA/Mastercard's tokenization.
- Stablecoin settlement capabilities demonstrate a shift toward 24/7, programmable and more efficient cross-border payments.
- While blockchain enables faster settlement, lower costs and improved capital efficiency, incumbents are using permissioned ledgers, token vaults and regulated stablecoins to retain governance over payment flows.
- Although new entrants drive innovation, incumbents are better positioned to scale adoption, meaning blockchain disruption is being absorbed into traditional finance rather than replacing it.

Key Picture: The Orchestration Layer: Absorbing the Blockchain Revolution



Source: Chainlink

Introduction

As the global finance landscape evolves, incumbent payments giants are no longer simply defending themselves against blockchain disruption but are actively integrating it. Rather than facing outright displacement, legacy networks are evolving to remain central to the next generation of payments infrastructure by building, partnering and investing on-chain. Tokenisation and blockchain-based settlements have moved from experimental initiatives to core strategic priorities, with institutions like SWIFT, Western Union, Visa and Mastercard actively bridging traditional rails with digital assets infrastructure to unlock 24/7 liquidity, programmable payments and atomic settlements.

The strategic prize is not simply faster payment rails. Incumbents are trying to preserve control over compliance, distribution, settlement logic, identity, treasury visibility, and ultimately the end-customer relationship. The more original question is therefore not whether blockchain is being adopted, but which parts of the financial stack incumbents can absorb without surrendering control.[2]

Financial Giants Embrace Blockchain

SWIFT marked a pivotal milestone in March 2026 by completing the design of its Ethereum-compatible shared ledger MVP. Now in its building phase, this ledger enables interoperability for banks' tokenised deposits,[3] validating transactions via smart contracts and integrating ISO 20022 standards.[4] In this light, the SWIFT is addressing the challenge of growing fragmentation within the digital asset ecosystem by acting as a central connectivity hub and its use of standardised messaging and seeks to avoid the emergence of isolated digital islands. Instead, it aims to enable seamless interaction between tokenised assets and the existing systems in a secure and reliable manner which is considered essential for widespread adoption of digital assets.[5]

Western Union is also piloting stablecoin treasury settlements like US Dollar Payment Token (USDPT) on Solana.[6] During the company's Q3 2025 earnings call, CEO Devin McGranahan had highlighted the move towards stablecoin and blockchain-based settlement systems as an alternative to traditional correspondent banking networks, to reduce settlement times and improve capital efficiency amid increasing regularity clarity, including the GENIUS Act. This reflected a broader transformation supported by investments in digital wallets and modernisation of its technology stack aiming to serve as both an on-ramp and off-ramp between fiat currencies and digital assets, particularly in regions with limited banking access but rising crypto adoption.[7]

In this light, the USDPT signals a shift toward on-chain payment infrastructure in global remittances. The token will be issued by Anchorage Digital Bank and built on the Solana to enable fast, low-cost cross border payments for over 100 million users. It combines regulated dollar-backed issuance with Solana's high-speed, low-fee infrastructure to improve transparency, reduce reliance on intermediaries, and cut remittance costs and settlement times. Western Union also plans to expand into crypto wallets and fiat exchange services across its global network, enabling users to easily convert between traditional money and digital assets. This move positions the company as more than a remittance provider, evolving it into a bridge between traditional finance and a Web3 payment infrastructure.[8]

Furthermore, card networks like Visa and Mastercard are leading tokenisation and blockchain integration. Network tokenisation, where card schemes replace Primary Account Numbers (PANs) with network-issued tokens generated through services like Visa Token Service [9] or Mastercard Digital Enablement Service (MDES) [10] has become a standard approach. These tokens are issued and managed in secure vaults and can be provisioned for specific use cases such as devices, merchants, etc with transactions authenticated using dynamic EMV cryptograms that enhance security and reduce fraud risk.[11] Beyond security, Visa settles live transactions in USDC on Ethereum and Solana [12] while Mastercard is expanding through its BVNK acquisition and its Crypto Partner Program [13] to support stablecoin-based payments and payouts. These efforts are still early-stage and mainly focused on institutional and enterprise use cases rather than mass consumer adoption.

Taken together, these moves map onto three distinct incumbent strategies: **build, partner, or buy.** SWIFT is building shared-ledger infrastructure around its coordination role; Western Union is partnering with Anchorage Digital and Solana to extend treasury and remittance settlement; Mastercard is buying BVNK to internalise stablecoin connectivity and shorten the path between on-chain value and global merchant acceptance.[14]

Dual Mandate – Efficiency and Control

Firms and card networks are advancing tokenisation and block-chain based settlement with a dual mandate i.e., harnessing undeniable gains in cost, speed and efficiency while strategically safeguarding their hold on payment rails.

Blockchain provides tangible operational uplift. SWIFT's MVP shared ledger enables tokenised deposits via smart contracts for 24/7 atomic settlements and ISO 20022 integration. Western Union's USDPT pilot on Solana slash correspondent banking costs, closing multi-day windows for customers while boosting capital efficiency.[15] Lastly, card networks amplify this as Visa settles in USDC on Ethereum and Solana, while Mastercard's BVNK acquisition advances stablecoin integration.

However, beneath the efficiency imperative, control remains the linchpin. SWIFT's ledger model functions as a controlled single point of entry, reinforcing rule enforcement, bank-held keys and interoperability. Similarly, Western Union's integration of stablecoins operates primarily as an on- and off-ramp, allowing it to retain control over payouts instead of yielding ground to purely decentralised alternatives. Card networks follow the same pattern, refining rather than replacing their core systems by layering blockchain based settlement onto existing infrastructure which already operate at massive scale.

What incumbents are preserving is not one rail but an entire operating stack: onboarding, sanctions screening, messaging standards, settlement finality, treasury management, merchant acceptance, and data on customer behaviour. Blockchain compresses settlement, but if incumbents remain the gatekeepers of identity, compliance and distribution, they still retain the economic choke points.[16]

As PwC highlights, the real value of tokenisation lies in improving efficiency, enabling new products and connecting blockchain-based systems with traditional finance, with established institution playing a key role due to their scale, regulatory alignment and risk management capabilities.[17]

Incumbents vs New Entrants

New entrants are driving payments innovation, with tools like Solana Pay and Stripe enabling near-instant, low-fee cross-border transfers that target high-friction markets such as remittances, while fintechs like Wise and Revolut are often cited as benchmarks for strong UX and product-led growth strategies in digital banking compared with failed challengers like HSBC's Zing.[18] Moreover, blockchain infrastructure players such as Fireblocks highlight efficiency gains, including fraud reductions,[19] yet despite growing stablecoin activity and interest in faster settlement, adoption remains limited with tokenised payments still representing a small fraction of global payment flows largely due to persistent challenges like regulatory/compliance complexity and interoperability challenges.[20] [21]

What is still holding broader adoption back is less proof-of-concept than systems friction. Interoperability between tokenised deposits, stablecoins and legacy messaging remains uneven; regulatory treatment still differs across jurisdictions; and many institutional pilots have yet to translate into real consumer-scale usage at the checkout or in remittances.[22]

Comparatively, giant firms are able to counter with their absorption advantage evident in SWIFT's Ethereum-compatible MVP, Western Union's USDPT, Visa's USDC settlements and Mastercard's BVNK acquisition and Crypto Program. In this light, McKinsey's research suggest that tokenisation is being scaled primarily through existing financial market infrastructure, with incumbent institutions holding a strategic advantage,[23] reinforcing

Christensen's Innovator's Dilemma where disruptive innovations are often absorbed and reshaped by the incumbents rather than displacing them outright.[24]

The blockchain revolution increasingly shows incumbents absorbing innovations that inadvertently preserve their dominance, while DeFi challengers offer faster, always-on settlement but remain constrained by regulation, liquidity and trust barriers. Therefore, while new entrants drive innovation, incumbents are more likely to shape the long-term structure of digital payments by absorbing blockchain into existing systems.

The broader significance is strategic as much as commercial. Whoever sets the standards for tokenised deposits, cross-border settlement and regulated digital cash will shape the next layer of financial infrastructure. The likely direction of travel is not a clean break between old finance and new finance, but a contest over which incumbents can absorb blockchain deeply enough to keep control as money itself becomes programmable.[25]

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