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Lloyds and Visa test faster, round-the-clock cross-border settlement using stablecoins

- During a seven-day live pilot, Lloyds used stablecoins to settle US\$750,000 of payment obligations with Visa, with funds reaching Visa in under an hour, including over the weekend.
- The first stablecoin settlement trial between Visa and a major UK banking group tested how financial institutions could move money across borders with greater speed, visibility and flexibility.
- Round-the-clock settlement could help businesses manage liquidity more effectively and reduce delays caused by traditional banking hours.
- The pilot also tested settlement across private and public blockchain environments, an important step towards broader use of digital money.
- Businesses increasingly operate and move money across borders around the clock, but traditional settlement processes can still be constrained by banking hours.

Lloyds Banking Group and Visa have completed a live pilot exploring how stablecoin-based settlement could support faster, more transparent and flexible cross-border transactions - modernising the way money moves around the world.

The pilot focused on settlement, the behind-the-scenes process through which financial institutions exchange funds to complete and reconcile payment activity, rather than on how payments themselves are made. Through a series of real-world transactions, Lloyds and Visa tested how stablecoins could be used alongside existing settlement processes, assessing their impact on speed, transparency and operational processes.

The seven-day pilot involved a series of US dollar settlement obligations totalling US\$750,000. To complete these settlements, Lloyds used USDC purchased through Archax, a UK-regulated digital asset exchange. The settlement volume, booked through Lloyds' Corporate Markets branch in Jersey, was then transferred to Visa in the US.

The pilot demonstrated how blockchain-based settlement can improve speed and flexibility, with funds reaching Visa in under an hour, including during the weekend. Under traditional cross-border payment processes, settlement can take a day or more if initiated outside of banking hours.

Modernising treasury and settlement operations

For banks and the businesses they serve, knowing when funds will arrive is important for managing liquidity, meeting obligations and planning with confidence. Yet cross-border settlement can slow when transactions are initiated outside traditional banking hours.

The pilot showed how stablecoins could give financial institutions greater flexibility to settle certain transactions around the clock. In practice, that could mean better visibility over the status of funds,

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greater certainty over when money has arrived and less liquidity tied up waiting for settlement to complete, particularly over weekends and holidays.

The pilot also demonstrated the potential for stablecoin transactions to operate across a variety of blockchain networks. As part of the test, Lloyds used its own node on Canton, leveraging the network's configurable privacy capabilities, while Visa supported settlement on a separate public blockchain, demonstrating interoperability across both networks. As liquidity and activity increasingly span a diverse, multi-chain ecosystem, interoperability can help institutions access different networks while maintaining reach, flexibility and choice. The pilot highlighted how Visa can help reduce the complexity of stablecoin settlement, enabling institutions to explore new payment capabilities through Visa's trusted global network.

Peter Left, Head of Digital Assets at Lloyds Banking Group, said: "Stablecoins could be particularly valuable for cross-border payments, where moving money between markets, currencies and infrastructures can add time and complexity. Settling \$750,000 of live payment obligations between Lloyds and Visa using stablecoins has allowed us to move beyond theory and test these capabilities in a real-world setting.

"We're seeing how digital money could help make international payments faster, more transparent and more flexible for businesses. Greater visibility and certainty over the movement of funds can transform liquidity management, while interoperability between blockchain networks helps unlock future applications of digital money at scale."

Rob Cameron, Group Country Manager, UK & Ireland, Visa, said: "Businesses increasingly operate across borders and around the clock, but the infrastructure behind the movement of money has not always offered the same flexibility. This pilot with Lloyds shows how stablecoins can work alongside existing banking infrastructure to give financial institutions more choice over how and when they settle funds. Visa's role is to help make these new forms of money practical, interoperable and trusted at scale."

The initiative forms part of Lloyds' wider work to explore how digital assets and tokenised forms of money could enhance the movement of value between businesses and financial institutions.

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Notes

About Lloyds Banking Group

Lloyds Banking Group is the largest UK retail and commercial financial services provider. Our main business activities include retail and commercial banking, general insurance and long-term savings, provided through a range of trusted, household brands.

We have 28 million customers, support one million businesses, and have a presence in nearly every community. Our purpose is Helping Britain Prosper.

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For more than 320 years, we have served households and businesses across the UK. Today, we are transforming how we do that. We have invested more than £4bn in our digital transformation, and we're just getting started. That means building smarter, more resilient tech, expanding our use of AI, and creating seamless experiences for a digital-first Britain.

About Visa

Visa (NYSE: V) is a world leader in digital payments, facilitating transactions between consumers, sellers, financial institutions and government entities across more than 200 countries and territories. Our mission is to connect the world through the most innovative, convenient, reliable and secure payments network, enabling individuals, businesses and economies to thrive. We believe that economies that include everyone everywhere, uplift everyone everywhere and see access as foundational to the future of money movement. Learn more at [Visa.com](https://www.visa.com).

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