

ISO 20022 Deadlines

Are banks ready
for November 2026?

Contents

3	Foreword
4	The next phase of ISO 20022
5	Two mandatory changes define 2026
8	Are banks ready?
10	What are the challenges?
11	Compliance burden or data opportunity?
12	A multi-billion-dollar mandate
13	Structured address migration
14	The unstructured data problem
15	Legacy systems are the constraint
16	Screening and financial crime controls
17	The client readiness gap
18	How are banks cleansing existing unstructured customer data?
20	Exceptions and Investigations (E&I)
21	The shift to structured case handling
22	Programme governance and coordination
23	How are banks approaching the E&I transition?
25	Compliance or transformation?
26	What are the benefits to the E&I changes?
27	Is ISO 20022 a tick-box exercise or a competitive advantage?
28	Struggling with the ISO 20022 deadlines?

Foreword

I grew up in Gwalior, India, but I've lived in London, England, with my family since 2013.

There are many differences between the two. The weather is the first thing that springs to mind. Food is another. But one difference that most people are less familiar with is postal addresses.

See, in the West, addresses typically start with a house number or name and end with a postcode (House > Street > City > State > Country). In India, however, it's often different. Addresses frequently include landmarks to help identify a location — “near City Mall, opposite the bus stop,” for example. It is left to the delivery person to interpret the information to determine the exact location.

These differences matter in payments. Not only from a routing and processing perspective, but also from a regulatory compliance and reporting standpoint.

And in 2026, they sit at the heart of one of two major ISO 20022 challenges facing the industry.

The first, as you might've guessed, is the ISO 20022 structured address migration. The second is the overhaul of exceptions and investigations handling.

Taken together, they represent two parallel transformations. Both are mandatory. Both are technically complex. Both affect core systems, data, and operations.

And both must be delivered under fixed deadlines.

Against this backdrop, we surveyed 308 senior payments professionals across Europe and North America about their ISO 20022 readiness for 2026 and beyond.

This report explores how institutions are approaching these twin challenges — where confidence is strongest, where risks remain, and where deadline pressure may still be underestimated.

Some institutions are using ISO 20022 as a platform for data transformation and operational improvement. Others risk treating it as a compliance exercise.

The difference will become clear as enforcement begins.

We hope you find this research useful. If you have any questions about the ISO 20022 requirements, please do not hesitate to get in touch. We are always happy to help.



Pratiksha Pathak

SVP, Head of Payments- UK

01

The next phase of ISO 20022





Two mandatory changes define 2026

ISO 20022 is older than much of the modern digital financial ecosystem it now underpins.

First launched in 2004, it predates the iPhone, most challenger banks, and the mainstream adoption of the term “fintech.”

It reached a major milestone on 22 November 2025. From that date, global banks were required to send structured MX (Message Exchange) payments instead of unstructured MT (Message Type) messages. The “end of coexistence” had finally arrived.

But, as you may well know, more deadlines are approaching.

The first wave of ISO 20022 focused on connectivity and format conversion. The next wave is about whether banks can preserve structured data integrity across the entire payments lifecycle.

We have moved beyond converting one message format into another. This is about ensuring structured data is created, preserved, and remains accurate across and can be reported on:

- Customer master records
- Onboarding and KYC processes
- Core banking platforms
- Payment engines
- Screening and sanctions controls
- Exceptions and investigations workflows

The impact extends into operations, compliance, client engagement, data governance, and programme coordination. It will continuously test how effectively banks manage data quality, system resilience, and workflow integrity.

This is where the next set of challenges begins.



The structured address migration

ISO 2022 is introducing structured data formats to reduce ambiguity and increase transparency. For addresses, that means defined fields for House, Street, City, and more. Hybrid addresses — combining structured and limited unstructured elements — will help accommodate global variations. The direction of travel is clear: free-text flexibility is ending.

From November 2026, unstructured postal addresses will no longer be supported in CBPR+ messages.

Instead, banks will need to send payments with a hybrid or structured address format.

At this point, Swift and payment schemes such as SEPA and CHAPS will begin rejecting transactions with wholly unstructured data. There will be processing delays, higher costs, false compliance hits, and more scrutiny from regulators and correspondent banks. And that means a lot of unhappy customers.

There are big hurdles to overcome to get ready.

One of the main ones is that many corporate Enterprise Resource Planning (ERP) and Treasury Management Systems (TMS) use free-text or semi-structured fields for address information.

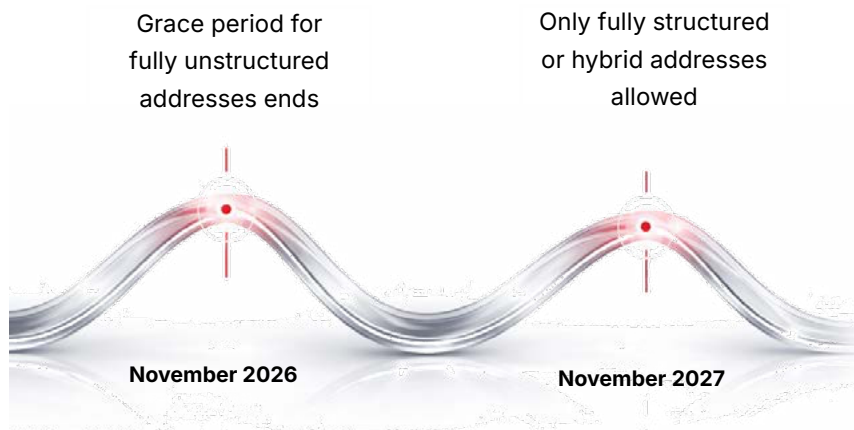
So, most banks and their customers have, until this project is kicked off, libraries full of messy customer address data that need reorganizing into a hybrid or structured format. That's a monumental task.

One that grows with the size of the bank and complexity of the payment network.

Converting years of historical data to a structured or hybrid format could cost millions in IT infrastructure upgrades and operational costs.

Then there's staff training to ensure the migration is handled efficiently.

Most of the heavy lifting needed to start in 2025 to be ready for 2026.





Exceptions and investigations receive-readiness

And as if that wasn't enough, the industry must also transition from free-format exception and investigation (E&I) messages towards structured workflows. This includes new message types, structured fields, and new purpose codes.

From November 2026, banks must be ready to receive new ISO 20022 E&I messages. By November 2027, they must be ready to send them.

This, again, is a massive hurdle. The traditional MT investigation process has not been updated in 40 years. Think about that for a moment. 40 years ago internet and mobile banking did not exist. Payment volumes were far lower. Now, billions of transactions are processed daily, but the way we deal with payment issues has not.

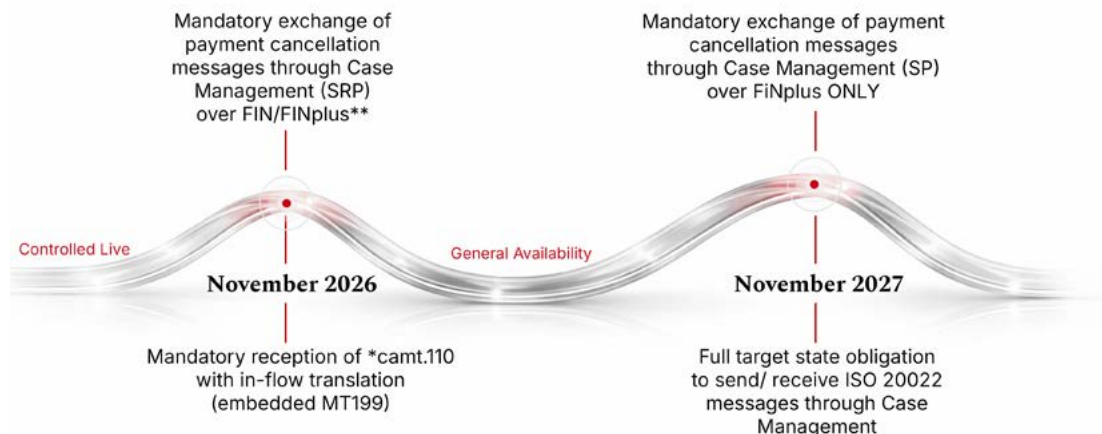
So, the widely used MT199 and MT299 (payment investigations and general queries investigations) free-format messages are being replaced by structured ISO 20022 CAMT (Cash Management messages used for reporting, investigations, and returns) message flows.

CAMT.110 (payment investigation request) will increasingly support payment tracing, while CAMT.111 (investigation response) will be used for rejections, reducing reliance on unstructured bilateral communication. This is a redesign of how payment exceptions are communicated, categorized, and processed across the correspondent banking network.

Banks will need to implement updates to case management systems, new categorisation and routing logic, operational retraining, and counterparty testing.

Supporting the message formats alone will not be sufficient. Internal processes must adapt to interpret and act on structured investigation data consistently, particularly in environments where operational workflows have historically relied on free-text flexibility and manual intervention.

Structured data enforcement and structured investigations are not independent workstreams. Poor address remediation will directly increase rejection volumes, placing additional strain on investigation workflows. Institutions that treat these programmes separately risk compounding operational pressure post-enforcement.



Are banks ready?

Structured address

For structured addresses, sentiment varies.

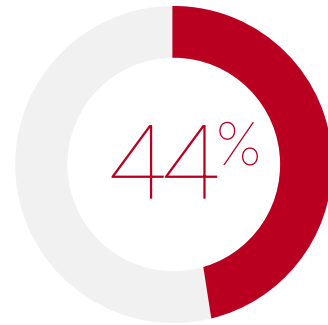
Nearly half (44%) of all banks are not currently on track to meet the structured address deadline. Of those, four in ten (40%) describe their project as "recoverable," which suggests there's work to be done. 4% say they are "at risk".

Now, with a glass-half-full mindset, you could flip that and say over half (56%) of banks are confident they'll meet the deadline.

But also consider that one in five (20%) of the largest banks (assets \$250bn or greater) say the deadline is unrealistic, compared to 5% for other banks.

Larger institutions have more customers, higher transaction volumes, often more complicated systems, and more complex operational environments. All of which increase execution risk. Cross-border payment volumes are also heavily concentrated among a small number of large bank players. If the bank falls short, the consequences for customers and the wider ecosystem are massive.

Getting ready will depend on data cleansing, client migration, system upgrades, and operational readiness in the months ahead.

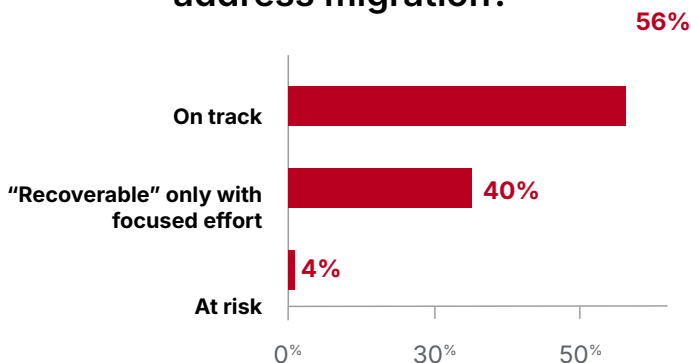


of banks are not currently on track to meet the structured address deadline



of banks with more than \$250bn in assets, consider the deadline unrealistic

Are you ready for the structured address migration?





Exceptions and investigations

For exceptions and investigations, a similar picture emerges.

When asked whether their institution is ready to receive ISO 20022 exceptions and investigations messages under the 2026 requirement, just under three-quarters (73%) say they're fully ready. The rest (27%) say they're partially ready.

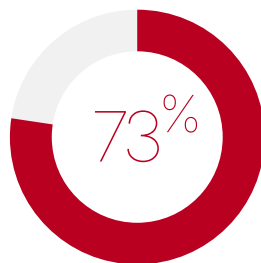
This is much higher than we expected.

That said, not all banks are confident in the deadline. Over one in ten (12%) small banks (<\$10bn AUM) say the deadline

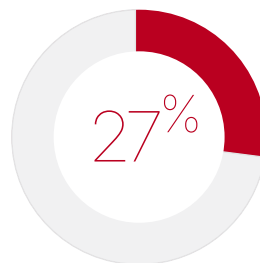
is unrealistic. Just under one in ten (8%) upper-mid-size banks (\$100bn - \$249.99bn) feel the same. That's compared to a 5% average across all banks.

Interestingly, the biggest banks (\$250bn+) are more confident with the E&I deadline than structured addresses. 100% say they are confident with the deadline, and just under a third (30%) of the largest banks (\$250bn+) say they're partially ready.

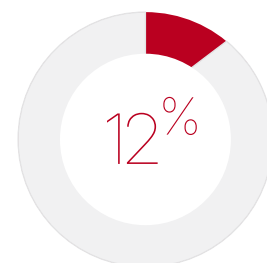
Are you ready to receive ISO 20022 E&I messages under the 2026 requirement?



of banks say they're fully ready



of banks say they're partially ready



of small banks (<\$10bn AUM) say the deadline is unrealistic

What does this mean?

Confidence in meeting the 2026 deadlines is somewhat mixed across both structured addresses and exceptions and investigations. It appears to be dependent on bank size, but it also varies across region (one in three (30%) banks in The Netherlands and France think the structured address deadline is unrealistic).

Delays in data remediation, client onboarding alignment, case management upgrades, or testing cycles could quickly eat away at any extra time.

So, while outright failure appears unlikely, now is not the time to be complacent.

What are the challenges?

Meeting both sets of deadlines is hard. We asked banks to select the top issues they face. They said:

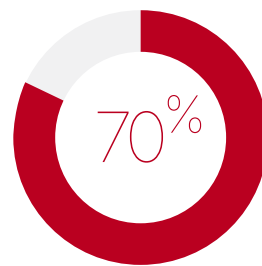
Top Issues in Meeting ISO 20022 Deadlines

- 32% Customer experience impact
- 29% High implementation cost
- 29% Regulatory interpretation complexity
- 29% Multiple country address standards
- 29% Resource and skills constraints
- 28% Data quality issues
- 27% Legacy system limitations
- 23% Ongoing costs

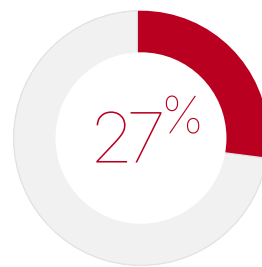
No surprises here (other than perhaps 'legacy system limitations' sits in second last place). ISO 20022 readiness now extends well beyond payments technology. It reaches into customer onboarding, compliance interpretation, operational processing, enterprise data management, and more.

However, the data gets more interesting when we dig into bank size. More than half (56%) of small banks say resource and skill constraints are the biggest challenge, compared to less than three in ten (29%) on average.

Meanwhile, big banks (\$250bn+) say high implementation costs (70%), regulatory interpretation (50%), and ongoing costs (40%) are the biggest challenges (compared to an average of 29%, 29% and 23% respectively).



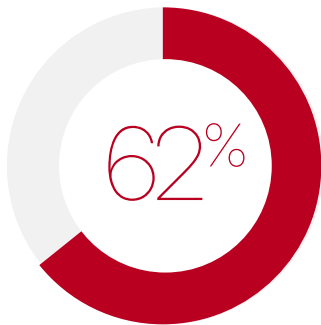
of big banks (\$250bn+) say high implementation costs are the biggest challenge



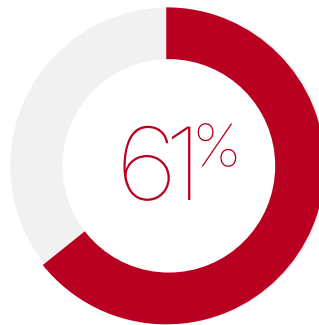
of small banks say resource and skill constraints are the biggest challenge

Compliance burden or data opportunity?

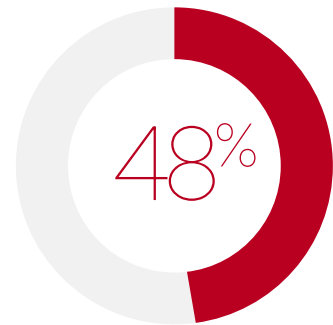
Banks differ in how they frame the 2026 ISO 20022 changes. We provided three statements and asked them to select the ones that resonate. We found:



view it as a foundation for analytics and automation



see an opportunity to improve data quality and screening



view it primarily as a regulatory requirement

This is even more interesting when you break it down by country.

In France and Germany – European nations in a regulatory-driven market – seven in ten (70%) say the structured address migration is a foundation for future analytics and automation. That's the highest among surveyed markets.

In the US and Canada, however – North American nations in industry-driven markets – this drops to just over half (52%) and less than a third (31%), respectively.

In fact, less than half (46%) of Canadians say the structured address migration is a pure regulatory necessity, which is on par with both the US (44%) and the UK (46%).

For most European countries, it's seen as a strategic data initiative – an opportunity to improve customer master data, strengthen sanctions controls, and enable richer analytics across payment flows.

This distinction matters (and it's quite revealing). Those focused purely on regulatory alignment miss out on the true benefits. If the numbers are to be believed, Europeans appear to be better placed to take advantage of this transition than their North American cousins.



A multi-billion-dollar mandate

The average expenditure for this year's deadlines is close to \$20 million per bank. Many institutions fall within the \$5 million to \$10 million range, while bigger banks report costs close to \$30 million.

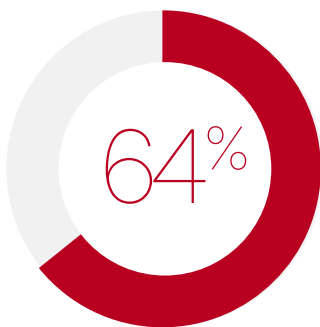
These are programme-level investments across technology upgrades, data remediation, testing, integration, and external advisory support.

They do not fully capture the longer-term operational cost of sustaining structured compliance once enforcement begins.

When scaled across the tens of thousands of institutions subject to CBPR+ requirements, ISO 20022 is a multi-billion-dollar transformation across the global banking sector.

On average, banks are deploying 13 extra staff to deliver ISO 20022. Nearly two-thirds (64%) expect to allocate between six and 20 additional people, while over one in ten (12%) will deploy between 21 and 50. No institution expects to complete the programme without extra help. That's difficult given a well-documented shortage of payments expertise.

For many banks, maintaining double-digit additional headcount over an extended period results in several million dollars in people costs alone.



of banks plan to hire between 6 and 20 staff

\$20M

The average expenditure for this year's deadlines

\$30M

Expenditure for big banks (\$250bn+ AUM) for this year's deadlines

02

Structured address migration

Now that we've set the scene, let's dig into the specifics of the structured address migration before tackling the changes to E&I.



The unstructured data problem

Updating libraries of messy customer data is a massive challenge.

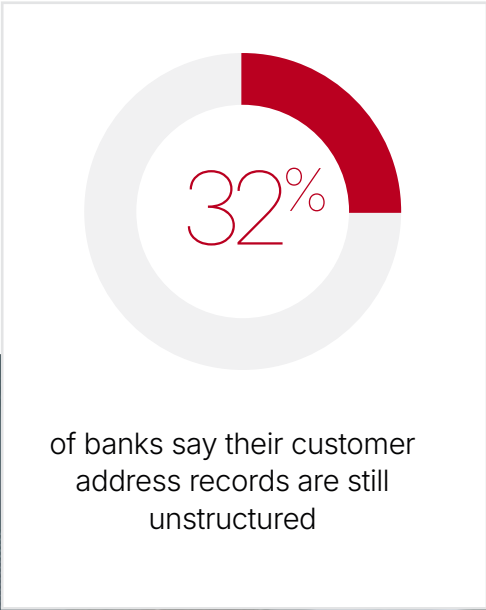
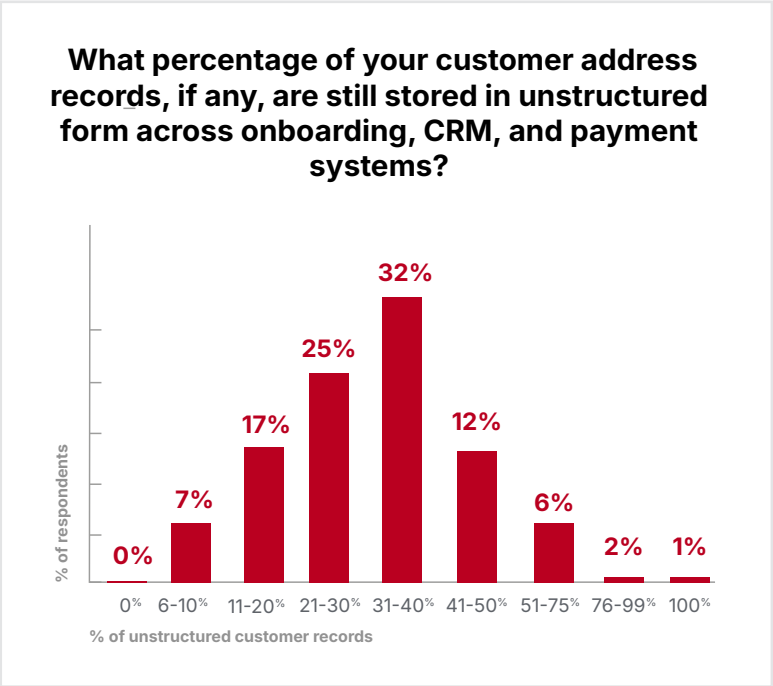
Banks say that, on average, about a third (32%) of their customer address records are still unstructured. The most common range is 31% to 40%, though nearly 1 in 10 (9%) report 50% or higher.

Unstructured address data is rarely confined to one system. It usually spans onboarding platforms, CRM (customer relationship management) environments, legacy archives, payment engines, and screening tools. And it's often captured inconsistently over many years and across

multiple jurisdictions.

To make things even harder, banks are not only cleaning their own records, but they're also working to align corporate clients, ERP systems, and treasury platforms.

So the challenge is twofold. Structured enforcement will test both bank-side data quality and client-side readiness.

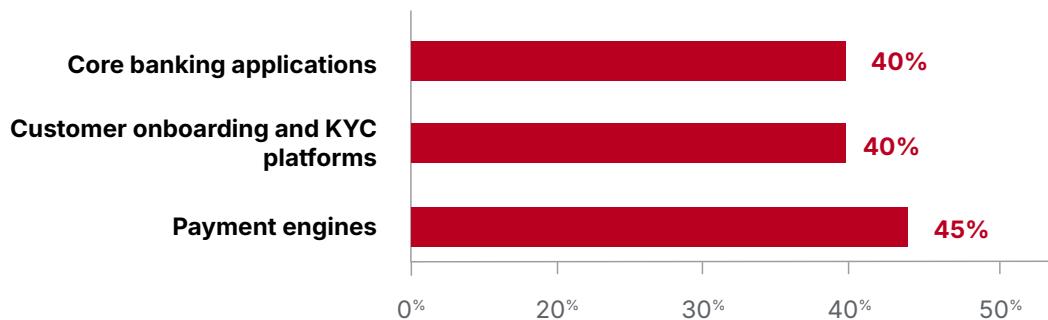


Legacy systems are the constraint

We then asked banks which of their core systems are not yet supported with ISO 20022 structured address fields. (Respondents could select multiple systems.)

We found that full compliance remains limited across all major system types:

Which core systems, if any, are supported with structured address fields? (Select all that apply)



With regulatory deadlines approaching in November 2026, this means a majority of institutions have a long way to go. Fewer than half of the systems are compliant.

While payment engines are slightly further ahead, progress is still slower than might be expected. These systems are often the first to receive regulatory-driven upgrades, typically delivered through vendor-led releases aligned to ISO 20022 messaging requirements. Even so, more than half remain non-compliant.

The picture is more challenging in core banking and onboarding/KYC platforms. These systems are deeply embedded and structurally complex. Many were not originally designed to support granular, structured address components across multiple national formats.

Achieving compliance is therefore not a minor patch — it often requires schema redesign, data model updates, integration changes, extensive regression testing, and in some cases broader architectural transformation.

There is also an important dependency to consider. Payment engines frequently rely on upstream systems for customer and address data. Even if the payment processor itself is ISO 20022-compliant, it can only pass forward what it receives. If structured address fields do not exist — or are inconsistently populated — in core banking or onboarding platforms, data integrity cannot be guaranteed end-to-end.

With (at the time of writing) less than a year before institutions must be fully ready, progress in these foundational systems will need to speed up.

Screening and financial crime controls

Encouragingly, most banks have prepped their financial crime frameworks.

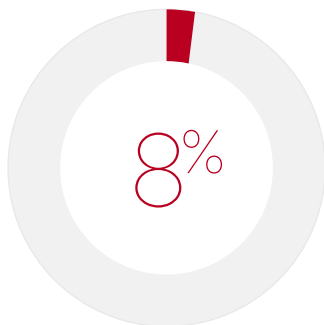
Nine in ten (90%) say their sanctions, anti-money laundering, and fraud systems are ready for structured address processing. A smidgen (2%) are partially ready. Fewer than one in ten (8%) are not ready.

This, again, is not entirely surprising. There's a lot at stake here: regulatory compliance and reputational damage.

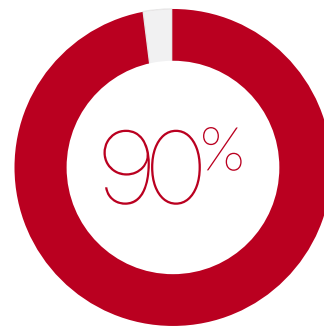
So, screening and fraud platforms are normally one of the first systems to receive regulatory-driven enhancements. In many cases, vendors began adapting their engines to ingest structured ISO 20022 fields as early as 2022.

But that means even an 8–10% gap in high-risk control systems warrants attention.

Screening is only as strong as upstream data quality. If core banking or onboarding platforms contain incomplete or poorly remediated data, financial crime engines may inherit those weaknesses. This must not be considered in a silo.



8% of banks say their financial crime systems are not ready for structured address processing



90% of banks say their sanctions, anti-money laundering, and fraud systems are ready for structured address processing

The client readiness gap

It takes two to tango. Banks must modernize their own systems, but they are equally dependent on their customers. Structured address enforcement cannot succeed unless clients confirm, update, and maintain their own payment data.

We asked banks what proportion of their own customers have not yet migrated to structured or hybrid address formats.

On average, institutions estimate that just under a third (32%) of their client base remains unmigrated. Among the largest banks (>\$250bn AUM), that figure rises to just under half (48%).

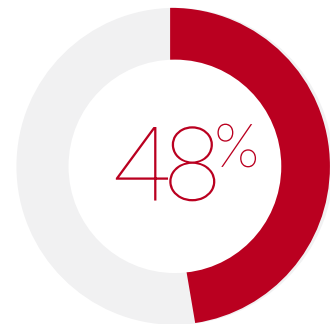
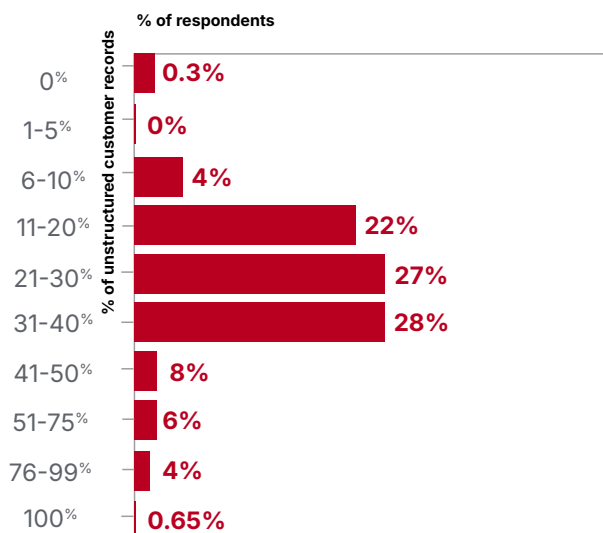
That's pretty big news. A huge chunk of client data is still not aligned with ISO 20022 requirements. Even banks that are technically compliant at a system level are exposed if their customers — and counterparties — are not aligned.

For many banks, this means that 30–50% of customers will require some level of remediation. That could be through direct outreach, ERP updates, validation adjustments, or formal data cleansing exercises.

Whatever the case, it's a lot of work. And it does not sit solely with the client. Banks ultimately own the quality of the data they process. If structured fields are incomplete or inconsistently populated, it's up to you, as a bank, to cleanse them and educate your customers.

Make this a priority. It could be your biggest risk in meeting the deadline smoothly.

What percentage of your clients, if any, have not yet migrated to structured or hybrid address formats for payment submissions?



of customers at big banks at big banks (\$250bn+ AUM) have not yet migrated to structured or hybrid addresses

How are banks cleansing existing unstructured customer data?

We asked institutions what strategy they are using to transform legacy unstructured address data into structured or hybrid formats. (Respondents could select multiple options.)

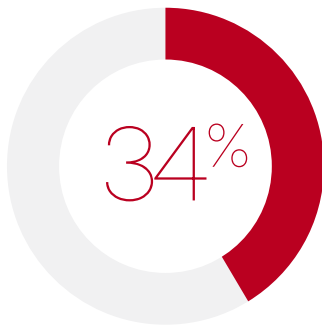
The results show a mix of methods:

Structured Address Migration Strategies

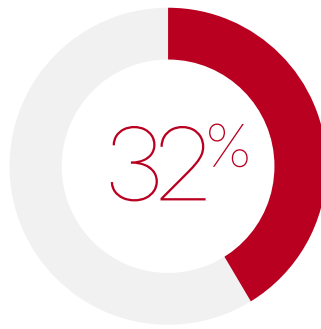
- 34% Manual remediation
- 33% Third-party technology vendor
- 32% Implementing AI-based conversion
- 25% Mostly AI, some manual
- 24% Mostly manual, some AI
- 24% Swift's AI data cleansing tool
- 23% Redo KYC checks
- 20% Even mix of manual and AI

No single approach dominates. Instead, banks are blending their approach. However, a clearer pattern emerges when strategies are grouped.





of banks will rely primarily on manual remediation



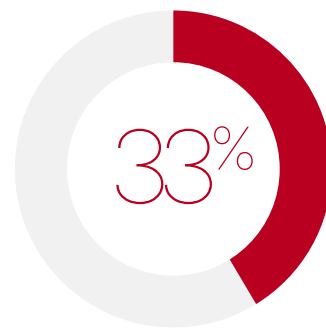
of banks will rely primarily on implementing AI-based conversion

Just over one-third (34%) of banks will rely primarily on manual remediation. This often shows caution. Customer master data is regulated, audited, and deeply embedded across systems. Fully automated transformation carries perceived compliance and data quality risks. For high-value or high-risk clients, banks may prefer a controlled, record-by-record review. But it's also incredibly time-consuming and costly.

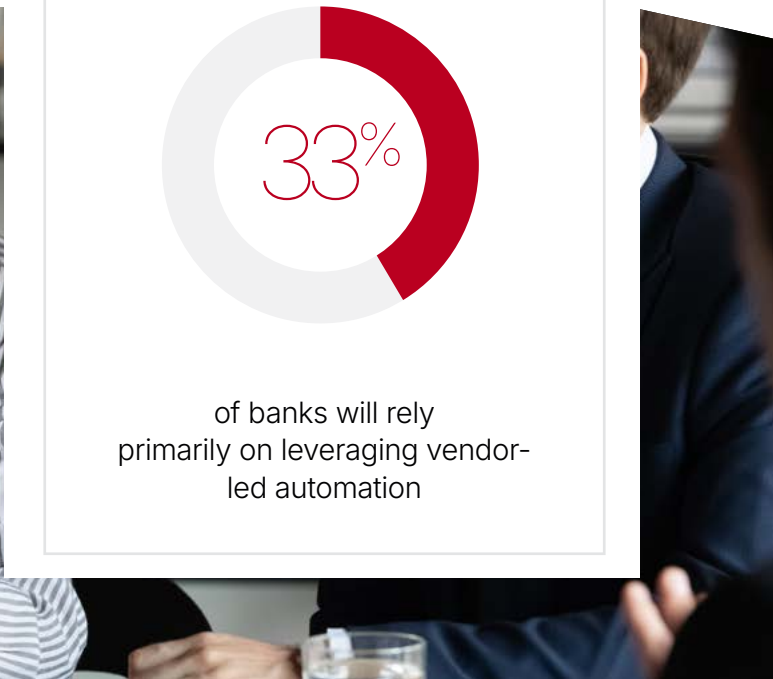
At the same time, about one-third are actively implementing AI-based conversion (32%) or leveraging vendor-led automation (33%).

Others are effectively pushing the problem back onto the client. Just under a quarter (23%) are using redo KYC processes. This can simplify a lot of the issues with transformation. But it also means they're reliant on people who are not bound by the deadlines. This is a risk. And it has the potential to annoy or even upset customers.

This balance sits at the heart of the issue. Banks that can industrialize remediation — without compromising governance or customer trust — are more likely to convert optimism into readiness.



of banks will rely primarily on leveraging vendor-led automation



03

Exceptions and investigations (E&I)

If structured addresses test data quality, changes to exceptions and investigations test operational maturity.



The shift to structured case handling





For decades, cross-border payment investigations have relied heavily on free-text messages. MT199 and MT299, which are used for ad hoc communication and clarification between banks, allowed flexibility, bilateral discussion, and manual handling of exceptions. They are now being replaced.

Structured ISO 20022 CAMT workflows are taking over.

CAMT.110 will support investigation questions, while CAMT.111 will support investigation responses. In place of narrative-based communication, institutions must now operate within defined data fields and standardised message structures.

This introduces greater clarity and consistency, but also new operational demands.

Exceptions and investigations will now require:

 <p>Clearly defined alert categorization</p>	 <p>Updated routing logic and case resolution workflows</p>
 <p>Enhancements to case management systems</p>	 <p>Operational retraining to interpret and process structured investigation data</p>

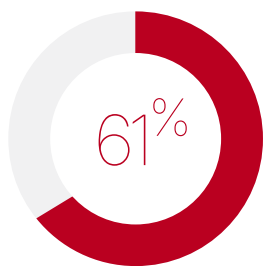
Structured Messages for Exceptions and Investigations

ISO 20022 Messages & MT Equivalents	ISO 20022	MT
Usage and Access	camt.110 for all investigation requests camt.111 for all investigation responses	MT n95/n98 (Queries/Proprietary) & MT n99 (Free Format) MT n96/n98 (Answers/Proprietary) & MT n99 (Free Format)
Translation Capabilities	ISO 20022 Messages exchanged through Case Management ONLY Nov 2026 - Mandatory reception of the camt. 110 message (with embe MT 199) Nov 2027 - Mandatory usage of camt. 110/111 for E&I purposes	
	Today - No In-flow translation of the camt. 110/111 messages Nov 2026 - In-flow translation ISO to MT (camt.110 with embeddec 199) for all Financial Institutions Nov 2027 - End of In-flow translation for camt.110	

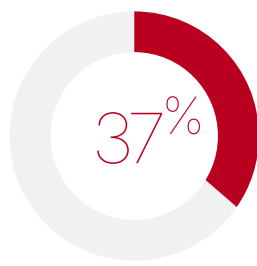
Programme governance and coordination

Work is well underway.

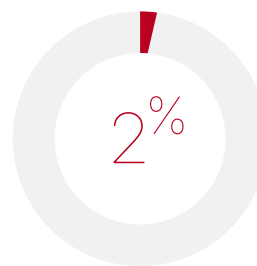
We asked banks whether they have initiated strategic programmes or roadmap-driven initiatives to align with Swift's Case Management evolution through 2027. Nearly every institution (98%) says it has. However, the structure of those programmes varies significantly:



report multiple initiatives already underway



operate under a single strategic programme



report no formal initiative

At first glance, the fact that six in ten (61%) have multiple initiatives in flight appears positive. It suggests momentum, right? More initiatives = more work.

But that's not really the case. In fact, a single, joined-up strategy is the strongest way to approach this topic. A unified programme typically implies central governance, a defined target operating model, and clarity around how exception and investigation workflows should evolve end-to-end. And here, less than four in ten (37%) say that's what they're doing.

That distinction matters. By contrast, multiple parallel initiatives can indicate fragmentation. Especially for big banks. If individual functions are upgrading systems independently — payments, compliance, operations, technology — each is optimising for its own priorities. Without strong integration oversight, this risks siloed delivery.

Structured investigations do not sit neatly within a single function. They intersect with structured address remediation, sanctions screening logic, case management platforms, operational routing rules, and client communication processes. If these components evolve independently, institutions risk duplicating effort, misaligning validation logic, and introducing unintended control gaps.

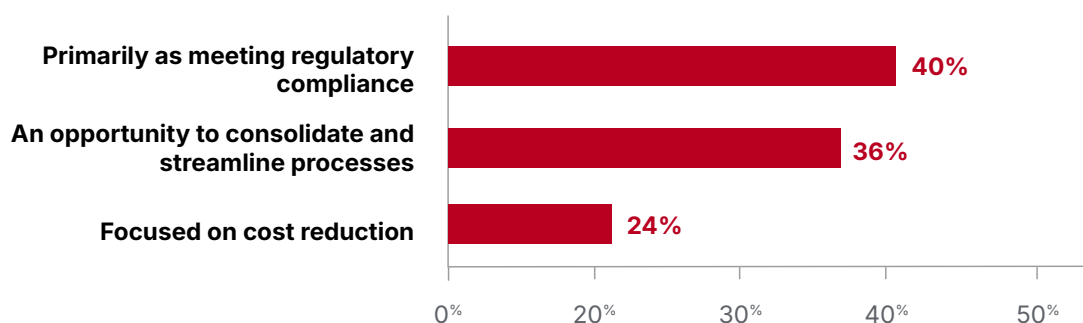
Multiple initiatives are not inherently problematic. In complex organisations, they are often unavoidable. But without strong central coordination, they introduce integration risk.

Activity does not equal strategy.

How are banks approaching the E&I transition?

Banks are approaching the challenge differently..

How do banks describe their approach?



At face value, compliance as the single most cited driver. But taken together, six in ten (60%) see it as an opportunity — whether through consolidation or cost efficiency.

This suggests that for a majority of banks, structured investigations are viewed as a catalyst for operational improvement. Great news.

However, intent does not always translate into execution.

Earlier in the report, we found less than four in ten (37%) respondents said that they are operating under a single, consolidated strategic programme for case management reform. The majority are progressing through multiple parallel initiatives.

This creates tension. If six in ten (60%) are focusing on transformation-oriented objectives, far fewer (37%) appear to have centralised governance structures capable of delivering end-to-end redesign.

Now, we may be comparing apples with oranges here. The 60% of banks that are focusing on transformation projects may be different from the 37%. But that arguably makes it more interesting.

And without unified oversight, there is a risk that banks will implement incremental compliance upgrades rather than achieve workflow simplification, platform rationalisation, or sustainable cost reduction.

Those viewing this as a compliance requirement are more likely to pursue minimal viable change. Those framing it as consolidation or cost rationalisation may aim for deeper workflow redesign, automation, and operating model simplification. But this requires coordinated delivery.

Ambition levels: compliance or transformation?

Breakdown by country:

In the US

- 41% describe their approach primarily as regulatory compliance
- 33% as consolidation and streamlining
- 25% as cost reduction

In the UK

- 39% cite compliance
- 37% consolidation and streamlining
- 24% cost reduction

In Canada

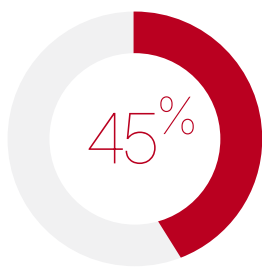
- 46% cite regulatory compliance
- 38% cost reduction
- 15% frame reform as consolidation

In Germany

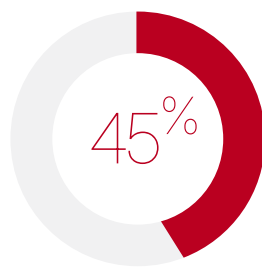
- 42% compliance
- 42% consolidation
- 16% cost reduction

Compliance or transformation?

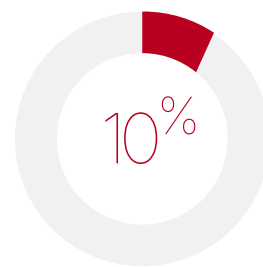
Banks are divided in their ambition for exceptions and investigations reform:



are pursuing the minimum changes required for compliance



are implementing partial optimisation



are undertaking major transformation

Nearly half of banks (45%) are treating this as a compliance exercise: get the new formats in, keep disruption to a minimum, move on. Another 45% are making some improvements along the way. But only one in ten (10%) is using this as an opportunity to genuinely rethink how they manage exceptions and investigations.

That's a missed opportunity. ISO 20022 was supposed to make payments simpler, richer, and more automated. Years into the migration, most banks are focused on getting their systems ready for the deadline. Not on changing how they actually work.

Almost everyone has started. Very few are aiming high.





What are the benefits to the E&I changes?

Better data makes better investigations. We asked banks what they expect to gain from the E&I changes. We found:

Top 5 benefits to E&I changes:

46% Improved client servicing

44% Faster resolution timelines

44% Improved data completeness

43% Better auditability


36% Reduced manual effort

When exception and investigation messages carry structured, standardized information, banks can categorize problems more clearly, trace issues across correspondent networks more easily, and resolve them faster. Clients get better visibility, and operations teams spend less time chasing information manually.

The potential is huge. But, as we found in the last section, most banks aren't planning to capture it. The majority expect some improvement in service quality and efficiency, yet only 10% are pursuing anything beyond the minimum.

That gap matters. Compliance alone gets you the new message formats. It doesn't get you faster resolution times, fewer manual touchpoints, or the analytics to spot patterns before they become problems.

Those outcomes require banks to look beyond the technical migration and redesign their investigation workflows end to end. The standards create the conditions for automation and efficiency gains. But only for institutions that deliberately go after them.



Is ISO 20022 a tick-box exercise or a competitive advantage?

The first part of the ISO 20022 migration is done. Most banks can send and receive MX messages. Coexistence is over. But what comes next is harder. Because it's no longer about format conversion. It's about data quality, operational discipline, and whether your workflows can actually hold up under enforcement.

Most banks expect to hit the 2026 milestones, and confidence is reasonably high. But a large number are cutting it close. Client migrations are still in progress. Legacy systems haven't gone away. Investigation workflows are still being redesigned. When you compress that much delivery into a single year, there isn't much room for things to go wrong. And things will go wrong.

That's why treating 2026 as just another regulatory deadline is a mistake. You might clear the bar, but you'll likely spend the following months firefighting, dealing with exceptions, chasing counterparties, and patching problems that should have been designed out.

Banks that use this period to get their data in order, test end to end with counterparties, and tighten up their governance before enforcement begins will come out the other side in a much stronger position.

Structured enforcement will surface weaknesses fast. It will also reward the banks that prepared properly.

2026 will mean different things to different institutions. For some, it will be a year of scrambling to meet deadlines. For others, it will be the point at which cleaner data, simpler workflows, and more reliable cross-border operations finally became the norm.

Struggling with the ISO 20022 deadlines?

Speak to RedCompass Labs. We are ISO 20022 experts, and we've been helping banks get ready for over 15 years.

We can run workshops to understand what's coming and what it means for your organisation.

We also offer a fast-start 4–6 week engagement to assess where you stand, define the problem statements, identify the gaps, and map out a plan for the next few months. Then, we help you implement it.

And if time is running short, we can help you move faster with AI.

The Payments Expert Agent

For more than two decades, we've been at the coalface of the world's most complex payments modernisation programmes, inside the largest banks and payment system vendors across 24 countries.

We've distilled the scheme knowledge, system insights and implementation expertise that makes payments transformation work. And we know where today's model breaks down.

Now, we've embedded our expertise into the Payments Expert Agent: a domain-specific Applied AI that operates across the full payments modernization lifecycle. It delivers comprehensive requirements, produces functional designs, generates tests, and surfaces defects, long before they reach UAT.

It's deployed inside your environment, under your governance, with human-in-the-loop controls built in by design.

Imagine the world's payments expertise permanently inside your walls, without the day rate, without the dependency, without knowledge ever walking out the door.

Our mission: opening the doors of payments to all, and protecting those who enter.

Want to see how the Payments Expert Agent could help you meet the deadlines?

[Get in touch.](#)



About RedCompass Labs

At RedCompass Labs, we believe there are only two types of payments: good and bad.

We enable the good ones and help stop the bad.

We are experts in ISO 20022-based payments, instant payments, cross-border payments, payments interoperability, and financial crime. By combining Applied AI, microservices technology, and deep payments expertise, we deliver complex payment transformation programmes that help our clients accelerate modernisation, reduce costs, and manage regulatory risk.

Our RedFlag Accelerator sets a new industry standard for detecting financial crime. Using a persona-oriented approach, it identifies the actors behind transactions, including victims, money-laundering professionals, perpetrators,

and facilitators. By combining advanced red flags, crime models, and OSINT data, the system detects activity linked to labour and sex trafficking, elder abuse, drug trafficking, scams, and authorised push payment (APP) fraud.

Our comprehensive offering includes algorithms, analytics, and training tools designed to strengthen both banking systems and operational teams.


With offices in London, Warsaw, Brussels, Singapore, Tokyo, Miami, Toronto, and Pune, we support clients worldwide.

To learn more about RedCompass Labs and our services, visit:

www.redcompasslabs.com

About the research

This white paper presents the findings of a survey conducted by Censuswide on behalf of RedCompass Labs. The survey, carried out between January 30 and February 10 2026, gathered insights from 308 senior payment professionals working in banks in the UK, USA, France, Netherlands, Spain, Germany and Canada.



GET READY FOR ISO 20022 WITH REDCOMPASS LABS

Visit our [website](#), follow us on [LinkedIn](#)
and [subscribe](#) to our newsletter to learn more

