ISO 20022: Beyond Format Conversion

The November 2026 deadline marks the end of message migration. What comes next is a deeper, more consequential test: whether banks can preserve structured data integrity.

Executive Summary

THE HARD WORK BEGINS NOW

ISO 20022 has reached its first major milestone. Since November 2025, global banks have been required to send structured MX messages across the correspondent banking network. The coexistence period is over.

But the assumption that format conversion was the destination, rather than the starting point, is where many institutions are exposed. The next phase of ISO 20022 is not a messaging exercise. It is a data quality, operational, and governance imperative that reaches deep into the fabric of how banks function.

Two hard deadlines now define 2026: the end of unstructured postal addresses in CBPR+ messages (November 2026), and mandatory receive-readiness for structured Exceptions & Investigations (E&I) workflows under the new CAMT message framework. By November 2027, institutions must be ready to send them too.

Our analysis of survey data from 308 senior payments professionals across Europe and North America reveals a market that is broadly mobilised but unevenly prepared. Nearly half of banks (44%) are not on track for the structured address deadline. A third of customer address records remain unstructured. Among the largest banks, 48% of clients have yet to migrate to compliant address formats.

The institutions that will emerge strongest are not simply those that meet the deadlines, they are those that treat this moment as an opportunity to redesign data flows, tighten governance, and build the voperational infrastructure that cross-border payments will increasingly demand.

Those that do not risk a post-enforcement landscape of processing delays, compliance failures, investigation backlogs, and counterparty friction.

Market Diagnostic

WHERE THE INDUSTRY ACTUALLY STANDS

Data from 308 senior payments professionals surveyed January–February 2026 reveals a market at an inflection point, with significant variation by institution size, geography, and program maturity.

44%

NOT ON TRACK

of banks are not currently on track to meet the structured address deadline. Among the largest institutions ($250bn+ AUM), 20% consider the deadline outright unrealistic.

32%

UNSTRUCTURED RECORDS

of customer address records remain in unstructured form on average, spanning onboarding, CRM, payment engines, and screening tools. For some banks, the figure exceeds 50%.

48%

CLIENT MIGRATION GAP

of clients at the largest banks ($250bn+ AUM) have not yet migrated to structured or hybrid address formats, exposing even technically compliant banks to counterparty-driven failures.

10%

TRUE TRANSFORMATION AMBITION

Only 1 in 10 banks is using the E&I transition to genuinely rethink investigation workflows. The remaining 90% are pursuing compliance minimums or incremental optimization.

$20M

AVERAGE PROGRAMME COST

per bank for 2026 deadline compliance, rising to ~$30M for systemically important institutions. Excludes long-run operational costs once structured enforcement begins.

37%

UNIFIED GOVERNANCE

of banks are operating under a single, consolidated strategic programme for E&I reform. The majority are managing fragmented parallel initiatives, creating significant integration and control risk.

The institutions that treat November 2026 as a finish line will spend the following year firefighting. The institutions that treat it as the beginning of a structured data discipline will build a durable competitive position in cross-border payments, one that compounds as enforcement tightens and counterparty expectations rise.

CORE POINT OF VIEW

Strategic Imperatives

FIVE THINGS THAT WILL SEPARATE WINNERS FROM LAGGARDS

Across both structured address migration and E&I transition, a clear pattern distinguishes banks that are building durable capability from those that are executing minimum viable compliance.

01 Treat data remediation as a strategic asset, not a one-time project

Banks are averaging 32% unstructured customer address records, but the problem is rarely confined to a single system. It spans onboarding, CRM, legacy archives, payment engines, and screening tools. Sustainable compliance requires a data governance model, not a sprint. Institutions that use this moment to establish master data ownership, lineage controls, and ongoing quality monitoring will carry forward a structural advantage.

02 Industrialize client migration: Banks own the quality of data they process

Even banks that are technically compliant at a system level are exposed if clients and counterparties are not aligned. With 30–50% of clients at many institutions yet to migrate, the client remediation programme must be treated as a parallel and equally urgent workstream. This includes ERP alignment, direct outreach cadences, validation tooling, and escalation protocols for clients approaching the deadline unmigrated.

03 Integrate structured address and E&I programmes under unified governance

These are not independent workstreams. Poor address remediation directly inflates rejection volumes, placing compounding strain on E&I workflows at precisely the moment structured investigation handling demands more capacity and precision. Banks managing these as separate programmes risk duplicate investment, misaligned validation logic, and control gaps that enforcement will expose. A single programme authority with cross-functional mandate is a prerequisite for efficient delivery.

04 Redesign investigation workflows, not just the message formats

Forty years of MT-based investigation processes cannot simply be ported into CAMT message structures. The MT199/MT299 model enabled free-text flexibility, bilateral negotiation, and manual workarounds. The CAMT.110/111 framework demands structured categorisation, automated routing, and consistent resolution logic. Banks that merely translate old workflows into new message types will find themselves compliant on paper but operationally exposed in practice.

05 Capture the data dividend, not just the compliance certificate

Structured ISO 20022 data creates the conditions for genuinely richer analytics, faster resolution, and more precise sanctions screening, but only for institutions that design for these outcomes. The 62% of banks that view this as a foundation for analytics and automation are well-positioned; those treating it solely as a regulatory obligation will complete the investment without realising the return. The standards create the opportunity. Strategy determines whether it is captured.

Recommended Approach

A THREE-PHASE PROGRAMME TO STRUCTURED DATA EXCELLENCE

Based on the diagnostic picture and the dual 2026/2027 deadline structure, we recommend a phased approach that sequences compliance delivery alongside capability building, ensuring that short-term deadline pressure does not compromise longer-term operational resilience.

Phase 1
Diagnose & Stabilise

WEEKS 1–8 IMMEDIATE

- Establish enterprise-wide data quality baseline across all systems holding address data
- Map unstructured record volumes by system, jurisdiction, and client segment
- Assess E&I workflow maturity against CAMT.110/111 requirements and SWIFT Case Management specifications
- Identify and quantify the client migration gap; segment by risk, volume, and complexity
- Establish a single programme authority with cross-functional mandate across payments, compliance, technology, and operations

Output: Integrated programme charter, risk-ranked remediation backlog, and governance model

Phase 2
Remediate & Redesign

MONTHS 2–8 CORE DELIVERY

- Execute address data remediation using a blended model: AI-assisted conversion for high-volume, lower-complexity records; controlled manual review for regulated, high-risk clients
- Deploy client outreach programme with validated data collection tooling and escalation triggers
- Upgrade core banking, KYC/onboarding, and payment engine systems to support structured address fields end-to-end
- Redesign E&I workflows: categorisation logic, case routing, resolution playbooks, and counterparty testing
- Validate financial crime screening engines against structured field inputs; close any upstream data quality gaps

Output: November 2026 compliance readiness across structured addresses and E&I receive-capability

Phase 3
Embed & Optimise

MONTHS 9–18 ADVANTAGE BUILDING

- Implement continuous data quality monitoring with automated exception triggers and remediation workflows
- Build analytics layer on structured payment and investigation data to surface operational patterns and risk signals
- Achieve full E&I send-readiness for November 2027; retire MT199/MT299 bilateral dependencies
- Embed structured data standards into onboarding, KYC renewal, and client engagement processes as standard practice
- Assess automation opportunities across investigation triage, routing, and client communication enabled by CAMT structured fields

Output: Durable structured data capability; measurable reduction in manual investigation effort and false positive rate

Workstream Detail

KEY WORKSTREAMS, OWNERS, AND RISK PROFILE

Workstream	Primary Owner	Core Deliverables	2026 Deadline Risk	Strategic Value
Customer Address Remediation	Chief Data Officer / Payments	Structured/hybrid address records across all systems; ongoing quality controls	**CRITICAL**	Foundation for accurate sanctions screening and downstream automation
Client Migration Programme	Relationship Management / Operations	Client outreach cadence; ERP/TMS alignment playbooks; validation tooling	**CRITICAL**	Reduces counterparty rejection exposure; strengthens client data relationships
Core Systems Uplift	CTO / Architecture	Structured address field support in core banking, KYC platform, payment engine	**HIGH**	Enables end-to-end data integrity; eliminates upstream data degradation
E&I Workflow Redesign	Operations / Payments COO	CAMT.110/111 receive-readiness; case categorisation; routing logic; counterparty testing	**HIGH**	Reduces manual effort; enables faster, auditable resolution; supports automation
Financial Crime Controls	Chief Compliance Officer	Screening engine validation against structured fields; upstream data quality assurance	**HIGH**	Reduces false positives; strengthens regulatory posture; protects AML/ sanctions controls
Programme Governance	Programme Director / CRO	Integrated programme authority; cross-workstream dependency management; executive reporting	**HIGH**	Prevents siloed delivery; manages integration risk; ensures coherent target state
Analytics & Data Dividend	Chief Data Officer / Strategy	Structured data analytics layer; investigation pattern identification; client reporting enrichment	**LOWER**	Converts compliance investment into operational intelligence and competitive differentiation

Risk Radar

WHERE PROGRAMMES MOST COMMONLY FAIL

Based on industry survey data and programme experience, the following risks represent the most common sources of deadline slippage and post-enforcement operational disruption.

CRITICAL RISK

Client migration dependency

Banks own the quality of data they process. Even technically compliant institutions are exposed if counterparties and corporate clients are not aligned. This risk is particularly acute for large banks where up to 48% of clients remain unmigrated, and where clients control their own ERP timelines.

CRITICAL RISK

Siloed programme delivery

Only 37% of banks operate under unified programme governance. Poor address remediation directly inflates E&I volumes; misaligned screening logic creates compounding compliance risk. Institutions managing these as separate workstreams risk discovering integration failures at enforcement rather than during testing.

HIGH RISK

Upstream system non-compliance

Payment engines cannot preserve structured data they never received. With fewer than half of core banking and KYC/onboarding platforms currently supporting structured address fields, end-to-end data integrity cannot be guaranteed even where downstream engines are compliant.

HIGH RISK

Workflow versus format conflation in E&I

Supporting the CAMT.110/111 message formats is necessary but not sufficient. Institutions that port legacy MT investigation processes into new message structures without redesigning categorisation, routing, and resolution logic will face operational failures that structured formats surface rather than solve.

EMERGING RISK

Compliance optimism bias by institution size

20% of the largest banks consider the structured address deadline unrealistic, yet cross-border payment volumes are heavily concentrated among a small number of systemically significant players. Failure at scale does not stay contained.

EMERGING RISK

Resource and skills scarcity

No institution expects to deliver without additional headcount. With an average of 13 extra staff deployed per programme and a documented shortage of payments expertise, hiring timelines, knowledge transfer, and specialist availability represent a material execution constraint, particularly for smaller institutions.

Conclusion

2026 AS INFLECTION POINT, NOT FINISH LINE

The ISO 20022 migration was never fundamentally about message formats. It was about creating the conditions for a payments system with richer data, faster resolution, and stronger controls, underpinned by structured information that can be processed, monitored, and acted upon consistently at scale.

The November 2026 deadlines for structured addresses and E&I receive-readiness are the moment that ambition becomes enforceable. SWIFT and payment schemes including SEPA and CHAPS will begin rejecting non-compliant transactions. The grace period ends. Structured enforcement begins.

For institutions that have invested in data quality, unified governance, and workflow redesign, enforcement is a competitive advantage, surfacing weaknesses in counterparties while their own operations run cleaner and faster.

For institutions that have pursued minimum viable compliance, enforcement is the beginning of a difficult period: processing delays, investigation backlogs, regulatory scrutiny, and the operational cost of fixing under live conditions what should have been designed out beforehand.

The difference is a choice that can still be made. But the window is narrowing. The time to act with ambition, not just compliance, is now.

Sanjib Banerjee
SVP, Head of Payments
sanjib.banerjee@thoughtfocus.com

THOUGHTFOCUS